

## Tax Lawyer Pinpoints Advantages To Life Agent In Incorporating

The following article on the advantages to the agent of doing business on a corporate basis, where state laws permit, was prepared by Saul S. Silverman, New York tax attorney, at the request of President Merrill P. Arden of Assn. of Advanced Life Underwriters, general agent at New York for National Life of Vermont. Mr. Arden plans to distribute the article to AALU members. It is a more detailed and amplified version of views expressed by Mr. Silverman in The National Underwriter of May 30, 1959.

By SAUL S. SILVERMAN

A recent revenue ruling (No. 59-17) once again focuses our attention on the essential tax savings inherent in the

differential between tax brackets of different entities. This new ruling opens up entire new areas and possibilities of tax savings for insurance agents which, heretofore, had been under a cloud of uncertainty.

### Rapid Ascension Known

The rapid ascension of individual income tax brackets, is common knowledge to all taxpayers. As tax rates climb the desire to earn income that is subject to tax at a lesser bracket increases almost in direct proportion. This is one of the main reasons, historically, for the widespread use of accumulation trusts, minority trusts, 10-year trusts, closely held corporate entities, and many other income-splitting entities.

Substantial benefits are available to a high-bracket insurance agent if he can incorporate himself and there are present in his operation no cogent reasons not to carry on his activities in this form. There are many legal, practical and psychological advantages to having a corporation. However, the most dramatic reason for incorporating an individual is the federal income tax savings that may be available.

EXAMPLE: Assume that insurance agent "X" is married and has a taxable income of \$50,000 (i. e., after all exemptions, deductions, etc.). Further assume that "X" has incorporated his agency (Corporation Y) and the \$50,000 of net income is divided equally

(CONTINUED ON PAGE 16)

## Predicts Even More Drastic Curbs Than N. Y. Regulation 39

AALU Head Says Ease Of Circumvention Makes New Rules Almost Inescapable

By ROBERT B. MITCHELL

NEW YORK—The New York department's regulation 39 aimed at minimum deposit and high early cash value policies presents no problem to the "pro" in this field but the ease with which its intent can be avoided probably foreshadows a new and much harsher set of rules from the department, according to Merrill P. Arden, general agent here for National Life of Vermont and president of Assn. of Advanced Life Underwriters.



Merrill P. Arden

For example, point No. 2 of regulation 39, which cuts a company's expense margins and hence the amounts available for commissions by counting as premiums only the gross premium less the policy loan does not affect loans made through banks to finance insurance purchases.

### Department Position Well Known

Mr. Arden pointed out that since the New York department has repeatedly stated that minimum deposit plans amount to paying ordinary commissions on what is essentially term insurance, it is logical to expect that if the same ends are achieved through bank loans or other means, the department will take whatever steps it can to thwart these methods.

"Since the department spelled out this strong position twice in the regulation itself and once in the preamble,

(CONTINUED ON PAGE 19)

## Ordinary Sales Set July, 7-Month Volume Records

HARTFORD—July sales of ordinary set a new record for the month and brought ordinary sales to a record seven-month total, up 8% according to LIAMA. July sales were up 4%, for a total of \$4,348,000,000. The number of ordinary policies sold was 684,000, bringing the seven-month total of ordinary policy sales to \$4,817,000, up 2%. The average size of policies is up 5% to \$6,100.

The seven-month aggregate of ordinary sales was \$29,381,000,000, as against \$27,263,000,000.

July sales of all types of life insurance were \$5,492,000,000, up 4% and the seven month aggregate was \$38,741,000,000, up 1%.

Industrial July sales were \$541 million, off 5%, while group life sales, representing new groups only and not additions under group contracts already in force, were \$603 million, up 11%.

For the first seven months, industrial was \$4,040,000,000, up 1%, and group was \$5,320,000,000, off 26%.

## SEC Slates Hearings On Variable Annuity Corporate Setup

WASHINGTON—Securities & Exchange Commission has set Sept. 9-10 as the dates for its hearings on applications for exemption from the investment company act of 1940, recently filed with SEC by Variable Annuity Life and Equity Annuity Life, both of Washington D. C.

The applications for exemption were an outgrowth of conferences between SEC staff members and the two variable annuity companies, out of which has arisen the belief that the commission will allow setting up variable annuity insurers as single corporations.

## Push Is On To Beat High Cash Value Nov. 1 Deadline

NEW YORK—With the New York department's drastic curb on high early cash value policies, scheduled to go into effect Nov. 1, some intensive sales promotion is going on among companies that still write these contracts. The fact that certain companies have withdrawn their high early cash value contracts has narrowed the market so much that a few of the others have cut commissions drastically to keep from getting more than they want.

An example of the intensive solicitation that is going on is the following letter from Manager Sam P. Davis of Phoenix Mutual at New York. Seeking business from brokerage and full-time agent sources, he wrote them:

### Seeking Only Surplus

"Please let me emphasize, I am not soliciting business at the expense of your own general agent or company, if you are a full-time company representative—only business you cannot otherwise write.

"The facts are, however, that our present minimum deposit contracts, are a wonderful buy today for a client who can afford \$25,000 (our minimum) or more.

"The New York state insurance department has set Nov. 1 as a deadline for the withdrawal of these plans with their present high guarantees. This means you have a little over two months to offer your large income clients an opportunity to apply for this policy.

### Calls It Soundest Buy

"My opinion is that it offers this selected market the soundest life insurance buy in the history of the industry. Hundreds of top agents and brokers have bought it for themselves in very large amounts. What better proof is in the pudding?

"We are prepared to furnish ledger

(CONTINUED ON PAGE 18)

## U. S. Treasurer, Alden Palmer To Address NALU Rally

WASHINGTON—Mrs. Ivy Priest, treasurer of the United States, and Alden C. Palmer, Indiana insurance commissioner, are the latest National Assn. of Life Underwriters speakers to be announced by NALU headquarters. The meeting will take place at the Bellevue-Stratford Hotel, Philadelphia, Sept. 20-25.

Mrs. Priest will address the NALU luncheon Monday, Sept. 21. She will speak on U. S. fiscal policy and economic conditions.

Mr. Palmer, who is also widely known as chairman of Insurance R&R of Indianapolis, will address the NALU past presidents luncheon on Thursday, Sept. 24. This luncheon is a convention innovation this year and grew out of an increasing desire on the part of NALU's members to honor its past leaders. Mr. Palmer will talk on

(CONTINUED ON PAGE 18)



Employees of Atlantic Life have moved into their new, \$2.5 million home office at Richmond. The four-story building is built above a three-story parking garage and provides 76,000 square feet of working space. Facilities include a cafeteria off an open terrace and an employee's lounge. The cafeteria may be closed off by sliding doors and converted into a conference room.

## Tells How To Sell In Growing 'Pastel-Collar Worker' Market

Sales opportunities in the expanding middle market, where the former so-called blue-collar worker has graduated into a "pastel-collar worker," were described by Paul O. Klein, director of agencies, at a New York Life Star Club meeting this year. A condensed version of his talk follows.

It certainly isn't news that in the past few years our country has undergone a fundamental social transformation. The American working man has risen from the blue-collar worker, into the ranks of middle class or "pastel-collar worker."

In 1947, 59% of the families in America had annual incomes of less than \$3,000. Only 14% had annual incomes of more than \$5,000. By last year, the number of families earning \$3,000 and under had dropped from 59% to 34%—and those earning \$5,000 or more risen from 14% to 42%.

### Shouldn't Be Ignored

This means there is a new and important element in our middle class we should not, we cannot afford to ignore. In the past this group has been looked down on or been pegged as one that is difficult to sell. But they are

in the middle class now—and they have the money for life insurance.

Why shouldn't they buy adequate insurance? They are eager to acquire all of the other possessions common to the middle class—good homes, good cars, money in the bank. Why not life insurance?

### The Upgraded Family

Aided by "Social Research, Inc." statistics, picture with me the working class family that has upgraded itself into the middle income bracket of between \$5,000 and \$7,000 annually.

Whether I'm a farmer or member of a labor union, I haven't yet accepted the habits and desires of those who have had this income for some time. Chances are I won't acquire them easily.

I lack mobility and self-confidence. I have an overabundance of insecurity and pessimism.

I accept the world as it is and have little interest, energy or skill to probe into anything that isn't necessary for day-to-day living. My wife tends toward negative thinking also and joins me in discomfort when faced with

(CONTINUED ON PAGE 17)

## GAMC Card For NALU Annual Meeting Set

Five speakers have been scheduled for the management program of General Agents & Managers Conference of NALU at the annual meeting in Philadelphia. The GAMC program will take place Sept. 21-22.

According to C. Carney Smith, Mutual Benefit, Washington, D. C., and chairman of GAMC's program committee, "The theme of the GAMC annual meeting will carry through with the background set at the March mid-year meeting in Minneapolis. At the midyear, our speakers pinpointed some of the problems faced by field management; at the annual meeting, our speakers will tell how to meet and overcome those very problems, and also point out the opportunities for management in the field."

### Lead-Off Speaker

Walter G. Gastil, Connecticut General, Los Angeles, and national chairman of GAMC, will be lead-off speaker and set the stage for the program. Orville E. Beal, executive vice-president of Prudential, will be speaker at the luncheon on Tuesday. Title of his talk is "A Sales Executive Is a Many Splendored Thing."

Other speakers on the program will be Philip F. Howerton, Connecticut Mutual, Charlotte, N. C.; Eugene F. Hughes, Peoples Life of Washington, Newport News, Va., and T. G. Murrell, Mutual Benefit Life, Los Angeles.

## Kansas City Actuaries Elect Klein President

Kansas City Actuaries Club has elected Oscar Klein, Business Men's Assurance, president. Regina Corcoran, Postal L.&C., is vice-president, and Robert Robinson, Kansas City Life, secretary-treasurer.

Massachusetts Indemnity & Life has been licensed in Arkansas.

## Insurance Counsel Elect Knipmeyer At Miami Beach

Lowell Knipmeyer of Knipmeyer, McCann & Sanders, Kansas City, was elected president of Federation of Insurance Counsel at the annual meeting at Miami Beach. He succeeds George F. Woodliff, of Heidelberg, Woodliff, Castle & Franks, Jackson, Miss.

New executive vice-president is William A. Gillen of Fowler, White, Gillen, Yancey & Humkey, Tampa, Fla. Vice-presidents elected were C. A. DesChamps, Fireman's Fund Indemnity; Leo Grossman, Progressive Mutual; Henry P. MacKeen of Smith & MacKeen, Halifax, N.S.; Sidney A. Moss, of Moss, Lyon & Dunn, Los Angeles; Edmund J. O'Brien, Lumbermens Mutual Casualty; Victor D. Werner of Wood, Werner, France & Tully, New York; and J. Boone Wilson of Black & Wilson, Burlington, Vt.

Governors are Mr. Woodliff, chairman; Bruce C. Bishop of Folts, Bishop & Thomas, Chattanooga; Carroll R. Heft of Heft & Coats, Racine, Wis.; William A. Porteus Jr. of Porteus & Johnson, New Orleans; Ivan Robinette of Gust, Rosenfeld, Divilbess & Robinette, Phoenix, and Robert Rooney of Chicago.

## Texas Legal Reserve Officials Meet, Elect Severin President

A clinic on the new federal income tax law was the top event at the Texas Legal Reserve Officials Association convention Aug. 20-22 in Fort Worth. The convention, with a registration of 400, was the largest ever held by the association.

E. O. Severin, Commercial Standard, was elected president to succeed E. J. Reeves, Commercial Travelers.

Other new officers are 1st vice-president, Tom Robinson, Mid American; 2nd vice-president, G. Charles Childre, Texas Continental, and secretary, D. J. Hundahl Jr., National Security L.&A.

New directors are P. W. McCann Jr., National Investment; Charles Eidson Jr., American Bankers; T. Coker, Southern Fidelity, and James W. Littrell, Colonial American.

### Steps In Tax Calculation

The clinic was opened with a summarized explanation of the new tax law by Henry F. Rood, senior vice-president Lincoln National Life, who discussed the four phases or steps in the calculation of the tax as (1) the tax on net investment income, similar to that applied since 1921, (2) a tax on 50% of the excess of gain from operations over taxable investment income, loosely defined as "underwriting income," (3) a tax on previously untaxed underwriting income if used to pay cash dividends to stockholders, and (4) a tax of 25% on certain capital gains to conform to general to the provisions applicable to other corporations.

Various specialized aspects of the law were explored by five panelists.

Frank B. Appleman, Fort Worth attorney, discussed the possibility of establishing that the required procedure had the effect of taxing the tax-exempt interest and intercorporate dividend credit despite the prohibition against such an imposition.

Donald R. McKee, vice-president Girard Life, speaking on reserve adjustments for income tax computations, compared the relative advantages of full net level recalculation of reserves with use of the "approximate rule." He reminded, "If you choose either method, this continues in effect for old and new business each year unless at the consent of the commissioner of internal revenue."

Thomas N. Jenness Jr., Fort Worth CPA, answered a series of questions expected to arise from the use of the

## Harry V. Wade Comments On Dual Licensing For Insurance Funds

President Harry V. Wade of Standard Life of Indiana writes:

The editorial in your Aug. 22 issue has finally galvanized me into making some comments on the current furious debate on life insurance vs mutual funds. For a number of months, with a great deal of interest and with occasional indulgence in amusement, I have read the statements being made on both sides of the question. Many of these were made by persons who knew nothing about the subject.

Neither I nor my company purport to have all the answers to all the questions. Not only have I still a lot to learn after approximately 30 years in the life insurance business but after having been associated with a mutual fund as a director for about half a dozen years I have even more to learn about that field. However, I believe that if Standard Life was not the first life insurance company to own the controlling interest in the management corporation of a mutual fund we were certainly among the first. I therefore seek under the "grandfather clause" the privilege of commenting on one or two points brought up in the above mentioned editorial entitled "New Breed of Professional Men?"

### May Be Special Case

First, I should make it clear that the Standard Life salesmen selling shares in our advisers fund must be members of the National Assn. of Security Dealers and it is entirely possible that certain restrictions levied upon their activities do not pertain to the activities of the salesmen of mutual funds who are not required to be members of the NASD. I know something of the restrictions pertaining to membership in the organization but I don't know too much about what one can otherwise do if they are not members.

I am therefore struck with the quotation of the gentleman in the editorial when he allegedly states, "You need both insurance protection . . . and equity investment protection . . . and for the first time, in one scientific package, I can give you both." Almost the first thing that our Standard Life salesmen are taught is that there can be no "packaging" of an advisers fund share with that of a Standard Life insurance policy. "Packaging" is a nasty word in this field. It is contrary to law, as we understand it, to "package" the sale of a mutual contract.

Under the circumstances it would be difficult and perhaps somewhat embarrassing to organize a professional organization of dual licensees.

The writer is of the opinion that a salesman who has been licensed by the insurance department of the state, contracted by his life insurance company and put in the field and then on top of that has been licensed and perhaps examined by the securities commission, as well as having been examined by the National Assn. of Securities Dealers is about as thorough-

(CONTINUED ON PAGE 19)

(CONTINUED ON PAGE 19)



Commercial Standard Life, president, and D. J. Hundahl, Security L.&A., secretary.

New officers of Texas Legal Reserve Officials Assn. photographed by G. Ferguson of Ferguson Personnel, Chicago. From left: G. Charles Childre, Texas Continental Life, 2nd vice-president; Tom Robinson, Mid American Life, 1st vice-president; E. O. Severin, Commercial Standard Life, president; and D. J. Hundahl, Security L.&A., secretary.



reserve  
, Elect  
ent

ederal income  
event at the  
fficials Assn  
Fort Worth  
egistration of  
ver held by  
ercial Stand  
nt to success  
Travelers.  
re 1st vice  
Mid Amer  
G. Charles  
al, and sen  
Jr., National

W. McCann  
Charles G  
inkers; T. H  
and James  
merican.

with a sum-  
the new tax  
senior vice-  
al Life, who  
or steps in  
x as (1) the  
income, simi-  
1921, (2) a  
of gain from  
investment  
as "under-  
tax on pro-  
iting income  
dividends to  
tax of 25%  
conform to  
applicable to

ects of the  
ive panelists  
rt Worth at-  
bility of es-  
d procedure  
g the tax  
corporate di-  
prohibition

ce-president  
reserve ad-  
x computa-  
tive advan-  
recalculation  
e "approxi-  
d, "If you  
is continue  
ew business  
nsent of the  
venue."

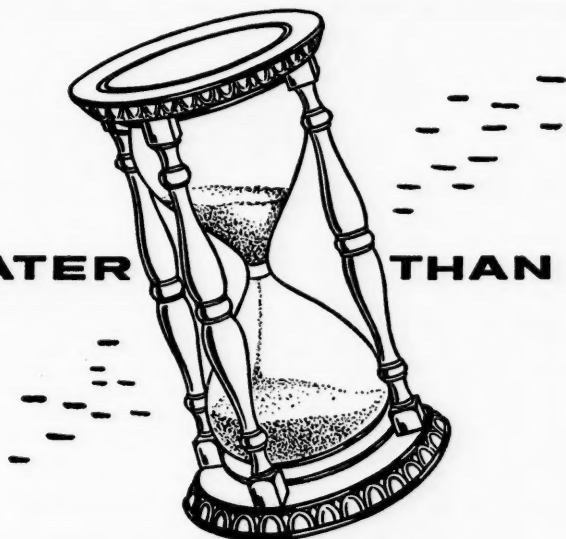
Fort Worth  
of question  
use of the

E 19)

officers of  
Legal Re  
Official  
photo  
ed by Gu  
on of Ferr  
sonnel, Chi  
rom left: G  
es Childre  
Continental  
2nd vice-  
ent; Tom  
ason, Min  
an Life, In  
esident; I  
verin, Com  
., secretary

U. S. A. Co  
pies 50 cent

IT'S LATER THAN YOU THINK!



**L**ike the procrastinating prospect who hates to say "No" and yet who can't quite bring himself to say "Yes," perhaps you have said, "Next year I'm going to enroll in the C.L.U. study program."

And yet at enrollment time somehow you just didn't get around to it, and another year went by without starting on the road toward the C.L.U. designation.

Well, don't let that happen this year. Make up your mind today to become a better, more competent, professionally-oriented life underwriter by taking advantage of the C.L.U. study program. Then set your sights on following it through to completion.

You'll get a new perspective, a breadth of understanding and a lasting feeling of confidence and self assurance in your chosen profession. Moreover, you'll be quick to find a practical application in what you learn to your everyday life underwriting activities.

So don't be like the procrastinating prospect. Check with your local chapter of the Society of Chartered Life Underwriters today or write the American College of Life Underwriters, 3924 Walnut Street, Philadelphia 4, Pennsylvania for details.

**N/W NATIONAL**  
*Life Insurance for Living*

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY OF MINNEAPOLIS



## Objects To Drawing Similarity Between Insurance Investment And Mutual Fund

Recently, the San Francisco mutual fund company, Commonwealth Stock Fund, sent its shareholders one of its periodic bulletins in which it likened a deferred payment on a mutual fund program to a life insurance policy that was allowed to lapse. After reading the bulletin, W. Lawrence Hamilton, district agent of Northwestern Mutual at White Plains, N. Y., sent off a set-the record straight letter to Commonwealth in which he objected strenuously to the implication that an investor's attitude toward mutual funds should be the same as it would be towards his life insurance policy. A reprint of that section of Commonwealth's bulletin in question and Agent Hamilton's answer to it appear below.

"Commonwealth Stock Fund Shareholder, Volume 5, Issue No. 3.

"YOU WOULDN'T LET YOUR INSURANCE POLICY LAPSE:

"The average person will go to almost any length before he permits his life insurance policy to lapse. Somehow he manages to scrape up the money to meet premium payments, no matter how he has to curtail expenses. Yet when it comes to a systematic investment program, he too often will defer writing the monthly check in favor of some current expenditure.

"We think this is robbing Peter to pay Paul. Just because a systematic investment program does not lapse when a scheduled payment is skipped does not mean it should be treated as a postponable expense. The purpose of an ordinary life insurance policy is to create an estate at death to serve as a substitute for the loss of earning power. A systematic investment plan provides a living estate, designed to compensate for the decline in earning power upon retirement.

"Living" Estate More Important

"Due to the market risks involved, there can be no assurance of accomplishing this objective, realizing a profit, or protecting against loss in declining markets. Nevertheless as the life span of Americans lengthens, this living estate becomes all the more important.

"So the next time you are tempted to skip a monthly payment in your systematic investing account, think twice about it! Both life insurance and an investment program are essential to sound financial planning.

Neither should be allowed to 'lapse'."

Mr. Hamilton's answer follows:

"I received my C.S.F. Shareholder, Volume 5, Issue No. 3, and have read it. I am disappointed in your plea to your shareholders not to lapse their systematic investment account by the article on the last page entitled 'You Wouldn't Let Your Insurance Policy Lapse.'

Two Not Similar

"This article would strongly hint that a life insurance program and a systematic investment account would be similar. They are not, and Commonwealth should not in any way try to intimate that one is as good as, or the same as, the other.

"These paragraphs would lead a person to think, and I quote, 'the purpose of an ordinary life insurance policy is to create an estate at death,' and then you go on to say that 'a systematic investment plan provides a living estate designed to compensate for the decline in earning power upon retirement.' Would you lead your shareholders to believe that life insurance does not do both—provide for death benefits and for living retirement benefits?

Mutual Funds Not As Sacred

"This entire article would lead a person to believe that mutual funds are as sacred as and the same type of investment as life insurance, with the exception that one is for death and the other is for living. The next time you try to draw a direct comparison, compare the mutual funds with a stock purchase plan. This would be a more direct comparison.

"In the years I have been in the life insurance business, I have attempted to tell my clients that mutual funds, as compared to buying an automobile, as compared to buying a home, as compared to buying life insurance, are all different types of investments, serving different purposes and different needs.

"These investments are as different as night is to day as to purpose, results and intent. When we sell life insurance, we don't try to compare it to mutual funds. I am sure the mutual fund companies would like to have their prospects believe that this is as safe an investment as life insurance.

"We, the shareholders of Commonwealth, can do without your suggesting, or even hinting, that mutual

funds are an investment anything like life insurance. Don't trade on the enviable reputation of the soundness of the life insurance industry to encourage a low lapse rate in your savings plans."

## Plan To Establish Springfield Life

A recommendation to form Springfield Life as an additional member of Springfield-Monarch group will be submitted to Springfield F.&M. stockholders at a special October meeting.

With establishment of Springfield Life, which will be chartered to write both participating and non-participating policies, as well as all A&S forms, Springfield-Monarch will be able to offer complete protection facilities. Monarch is incorporated in Massachusetts where law prohibits a company from writing both participating and non-participating covers. Monarch writes the participating form.

It has been recommended that the new company be incorporated in Vermont where the law permits the writing of both types of life. Administrative operations will be conducted at the home office.

## ALC Names Associate General Counsel At D. C.

American Life Convention has named Glendon Johnson as associate general



Glendon Johnson

counsel at the Washington office under C. L. Adams, executive vice-president. He was for four years administrative assistant to U.S. Sen. Wallace F. Bennett of Utah and since January of this year has been with the Salt Lake City law firm of Ray, Rawlins, Jones & Henderson. A magna cum laude graduate of the University of Utah, he served as editor of the university's daily newspaper and won the National Prize Scholarship to Harvard University, graduating from the law school in 1952. A member of the Utah bar, he is admitted to practice before the U. S. Supreme Court.

While attending the University of Utah, he worked in his father's insurance office, the elder Mr. Johnson being a home office general agent for Pacific National Life. A brother, C. I. Johnson, is the manager at Salt Lake City for Canada Life.

## American Penn Life Will Start Operating In Sept.

American Penn Life of Philadelphia, recently granted its charter by Pennsylvania, expects to be in operation during September. It will offer a comprehensive portfolio of life and A&S. The company plans to offer stock options to its general agents in addition to a vested commission. Both participating and non-participating insurance will be sold. American Penn has worked out a number of novel sales ideas to promote growth. Many prominent Philadelphians are on its board.

## Vulcan In-Force At \$140 Million

Insurance in force in Vulcan Life of Birmingham exceeded \$140 million on July 31. Assets had increased to \$4.1 million.

## N. Y. Life Promotes Many Group Men

To further implement its recently announced "total marketing" program, New York Life has announced the following promotions in the marketing department of former group department field personnel.

William R. Livingston, assistant vice-president of group sales, has been transferred to the staff of Vice-president Paul A. Norton. Named assistant vice-president in the home office is Forrest E. Huffman, formerly southwestern regional group manager. He will work directly under Vice-president Andrew H. Thompson, who is in charge of the western regions and the Canadian division. Also appointed assistant vice-president is Fenwick J. Crane, formerly southeastern regional group manager. He will assist Vice-president James D. Dunning, who is in charge of the eastern regions.

Assistant Regional V-Ps

The following men were promoted to assistant regional vice-presidents in marketing:

William F. L'Heureux, formerly western regional group manager, will be assigned to the central Pacific region; Robert E. Purdy, formerly central Atlantic regional group manager, who will be assigned to the northeastern region; E. Wade Davenport, formerly midwest regional group manager, assigned to the north central region; Armor Killingsworth, former district group manager in Los Angeles assigned to the south Pacific region; Clifford W. Johnson, formerly district group manager in Chicago, assigned to the west central region; Alexander M. Logan, former district group manager in Washington, D.C., assigned to the south central region; Donald L. Crouse, former district group manager in Atlanta, assigned to the southeastern region; William J. Harford, formerly northeastern regional manager, assigned to the middle Atlantic region.

To give group sales representative maximum benefit from their many strong contacts with ordinary agencies, group and brokerage offices will become the responsibility of regional vice-presidents under the new setup.

From now on, ordinary agents will be encouraged to seek group leads from their clients, group representatives will have the responsibility for promoting the company's entire product line through their brokerage connections. The regional vice-president will become the field officer responsible for both.

## STATE MANAGER

Strong midwest company, over 300 millions in force, has need for State Managers in Iowa, Minnesota, and Indiana. Salary plus override on existing field organization plus bonus on new production of men contracted under liberal producing G. A.'s contract. Must have supervisory and recruiting experience at Agency level as unit manager or Agency Assistant. Unusual opportunity for advancement. Preferred ages 30-45.

Central Standard Life Insurance Company

Founded in 1903

E. H. Henning, President

211 West Wacker Drive, Chicago 6, Illinois

## Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

Cartwright, Vallean & Co.

Members Midwest Stock Exchange

Board of Trade Building

Chicago 4, Illinois

WAbash 2-2535

Teletype CCH

You may telephone orders collect.



## Equitable Of Iowa Drops High Cash Value Plan

Equitable of Iowa, in a special bulletin to its agency force, has announced that in accordance with the recent New York department regulation No. 39, it is withdrawing its high early cash value \$25,000 minimum life paid-up at age 95 policy effective Sept. 14.

"We believe," the bulletin said, "that the New York department has reached a decision which is in the best interest of the institution of life insurance. In our own company, we have avoided many of the undesirable features of this type of coverage which have prompted this regulation. We have discouraged the minimum deposit approach to sale of the policy, believing that in most situations it is not to the advantage of either the policyholder or the company.

From all indications, several hundred home office officials will attend the NALU convention and will be hosts at their respective company affairs on Thursday evening. The list of companies sponsoring receptions and dinners is as follows:

## List Of Companies

'Aetna Life, Bankers of Iowa, Canada Life, Columbus Mutual, Connecticut General, Connecticut Mutual, Equitable of Iowa, Equitable Society, Franklin Life, Guardian Life, Home Life of New York, Jefferson Standard, John Hancock, Liberty National, Lincoln National, Massachusetts Mutual, Metropolitan, Mutual Benefit Life, Mutual of New York, National of Vermont, New England Life, New York Life, Northwestern Mutual, Northwestern National, Ohio State, Philadelphia Life, Phoenix Mutual, Penn Mutual, Provident Mutual, Prudential, State Mutual Life, Sun Life of Canada, Travelers, Union Central, United Benefit, Indianapolis Life, Life of Georgia, Continental Assurance, Washington National, Life of Virginia.

## Murchisons Get Two Places On Gulf Life Directorate

John D. Murchison and Howard R. Sluyter of the Murchison Bros. financial and investment interests of Dallas have been elected directors of Gulf Life. On July 9 Murchison Bros. bought 358,701 shares, or 16% of Gulf Life stock.

Mr. Murchison, in addition to numerous other business associations in oil and other fields, is president of Life Companies, Inc., of Richmond, a firm investing solely in life insurance company stock. Mr. Sluyter represents Murchison Bros. in various investments, several of which are in Florida. He is especially active in their life insurance investments and serves on the boards of Lamar Life and Atlantic Life and is vice-president and treasurer of Life Companies, Inc.

## N. J. Hears Blue Cross

Commissioner Howell of New Jersey called a hearing Aug. 25 on a Blue Cross filing for rate increases and contract changes.

The requested rate rise is 17.8% over-all for group enrollment—12.7% for a single contract and 18.5% for the family policy. The non-group increase sought is 20.5%. The plan also is proposing a modified comprehensive contract, reducing benefit days from 120 to 90, with a rate decrease of 18% from the full comprehensive coverage.

### General American Issues New Form

General American Life has issued a checkbook reminder form for use by policyholders who pay for their life and A&S insurance on the pre-authorized check plan. The form will be made available to all new check plan policyholders and to policyholders transferring from another premium payment method. The form contains a stub which the policyholder can attach to his checkbook, with space provided for the amount of premium to be deducted from the bank balance and for the date of each deduction.

**Detroit Life Underwriters** women's group has elected Mrs. Mae D. Keene, Pension Funds Co., president.

# COMMONWEALTH LIFE

## INSURANCE COMPANY

**One of the Nation's billion-dollar companies, with more than 1000 successful Fieldmen . . . in seven states . . . from the Great Lakes to the Gulf Coast.**



**HOME OFFICE:**  
***Commonwealth Building***  
***Louisville***  
**The Tallest, Finest Office  
Building in Kentucky**

## Untapped 45-Plus Market Can Be Cure For Low-Commission Blues

While most agents concentrate their production efforts on younger married and unmarried prospects, the older markets—the age 45-plus groups—go virtually untouched. In his article, "An Untapped Market," reprinted here from Connecticut Mutual Life's magazine for agents, *Con-Mu-Topics*, William H. Whorf, superintendent of agencies, tells why people

in this age group are sometimes easier to sell and why they represent, in terms of effort spent, a relatively high commission source.

By WILLIAM H. WHORF

Everyone has observed the trend in the life insurance business toward lower premiums per thousand and the resulting lowering of commissions per

thousand. This trend is due in some measure to a shifting of our business from short term life and endowment forms to ordinary life and also to an increase in the amount of term insurance being sold.

### Solution To Problem

One good solution to this problem, if you need a solution, is to see people in a market that is rarely touched. It's a market that will mean much higher premiums and commissions per thousand sold and a market that will provide you with a large number of

prospects, many of whom haven't been contacted by an insurance agent for years.

I'm sure you know that I'm referring to the older age group, a large, ever-growing group that is ripe for you to see to fill their insurance needs.

### Fewer Contacts

Here are some statistics that might interest you. A recent LIAMA report, "Covering the Market," notes that 65% of people between the ages of 18 and 34 have been contacted by life insurance men in the past 18 months. This drops to 40% in the 45-54 age group. Only 34% of people between the ages of 55 and 64 have been contacted by life insurance men during this 18 month period.

Another LIAMA report on "Current Life Insurance Buying" for the year 1957, points out that the average premium per policy for a person 45 or over is \$735. This climbs to \$870 per policy for a person 55 or over. Compare this with an average premium per policy of \$262 for a person age 30-39 and \$161 for a person aged 20-29. Furthermore, the cost per thousand for insurance is \$53 for a person 45 or over compared to \$19 for the 30-39 age group and \$16 for the 20-29 age group.

### Higher Commission

I'm sure the message is clear. Despite the known fact that older people don't buy as much insurance per capita as younger people, the commissions are so much higher when you do sell them that the effort is more than worthwhile, and there are many new ways to market insurance to this group which are scarcely being used. I'd like to first give you 11 good, solid reasons why you should call on older people. Then, I'll suggest five ideas to discuss with this older age group when you do get to see them.

1. Most men in this age bracket have their homes paid for and their children's educations paid for. Money is available for investment purposes. As you well know, we offer a very fine investment to a man in this age bracket.

2. Because children are grown and gone, we also find that the fixed living costs of a family are lower. They don't have to buy the clothes, the food, or provide the medical care that was necessary when their family was growing. This makes more money available than might be apparent at first glance.

### Insurability Not So Important

3. Since many sales will be primarily for retirement purposes in this age group, insurability is not quite so important. If you do find a man uninsurable, you have a natural lead-in for a discussion of annuities.

4. As pointed out earlier, men in this age bracket are rarely called on by other life insurance men. Some of them haven't talked to a life man for five or six years.

5. These men are facing retirement in the very near future. A man aged 55 has just 10 years to go and a man of 50 has just 15 years. Many of these men are now seeing other men just a few years older than they who are retired on limited incomes. They are seeing the problems faced by these men. It's pretty tough, sometimes, to talk to a man 25 about retiring at age 65, but it's not too tough to talk to a man 55 about retiring in just 10 years.

6. Many of these men are completely out of social security and face a real problem providing for their

(CONTINUED ON PAGE 13)

## MEETING OF THE MEN FROM MIDLAND MUTUAL



For field management...

## Conferences featuring the three big "I's"

Midland Mutual's annual Field Management Conference is a *key* meeting of *key* people . . . our general agents and other supervisory personnel. Our objective is to make this session genuinely helpful and rewarding to everyone who attends. That's why we build every Conference program around the 3 "I's":

**Information** . . . giving field management a complete, up-to-date picture on Company projects, products and plans.

**Ideas** . . . on successful agency-building . . . "how-to-do-it" ideas supplied by Midlanders who have done it and by specialists from organizations like LIAMA.

**Inspiration** . . . the kind of long-lasting inspiration which springs from a strong spirit of team work and fellowship.

The Management Conference is one of many *plus* benefits enjoyed by the Men from Midland Mutual. If you would like to know more, write Charles E. Sherer, CLU, Vice President and Director of Agencies. Ask about the FOUNDATION BUILDER program for new general agents. Midland Mutual has immediate agency openings in Florida, Illinois, Indiana, Iowa, Kentucky, Maryland, Tennessee and Virginia. Opportunities also available in other states. Write Company for full information.



Serving Personal Security Needs Since 1906

**THE MIDLAND MUTUAL**  
LIFE INSURANCE COMPANY  
256 East Broad Street, Columbus 16, Ohio



## DANIELS REPORTS:

## U. S. Life Business Methods Are Studied Closely By Far East

There is considerable interest in American life insurance methods in the orient, according to Arthur C. Daniels, vice-president of Institute of Life Insurance, who has returned from a six-week tour of Japan, Thailand and other countries in the far east. The trip was made in response to an invitation from Life Insurance Assn. of Japan and one from Life Assurance Assn. of Thailand. En route, he also stopped at Manila, where he addressed the Life Insurance Executives Assn. of the Philippines, and at Hong Kong.



Arthur C. Daniels

Life insurance in force has doubled in Japan in the last four years, Mr. Daniels reports, and even when this is related to real values, the coverage in that country is still only 50% of what it was before World War II.

### Family Plan Introduced

"Life insurance is making rapid strides in Japan and is contributing materially to the rebuilding of the social and economic life of that country," he said. "The Japanese companies are particularly interested in public relations and several companies have established public relations departments. Changes and modifications in coverage, agent training, merchandising planning and public relations are all the order of the day there as here."

"The family plan policy is now being introduced, both by the companies and by the Post Office Life Insurance Bureau, which sells through agents. Wide interest is expressed in the guaranteed insurability rider, though it has not yet been introduced there."

Credit life insurance, he said, is also being seriously considered. Extra risk life coverage is of considerable interest and should make continued progress in Japan in the years ahead, he predicted.

### Trend To Straight Life Policies

As to purchases, Mr. Daniels said that in Japan, where money return has been the traditional basis of most contracts and endowments have always been the favorite, the current trend is from short-term endowments to long-term endowments and even to straight life policies, under increasing sales competition from mutual funds and other savings channels. Currently Japanese agents are closely studying the variable annuity, though it also has not yet been introduced.

Speaking of the young life insurance

### All American L.&C.

#### Reports Sizable Gains

All American L.&C. made good over-all gains for the first half of 1959. Compared with the first six months of last year A&S premium was \$1,941,501 as against \$1,588,982; A&S premium earned, \$1,707,600 and \$1,554,530; written life, \$34,932,168 and \$23,941,201; life premium, \$1,304,518 and \$731,046; life in force, \$96,106,757 and \$53,815,485.

business in Thailand, Mr. Daniels reports that agent training, merchandising and public relations are subjects of primary concern.

### Time Of Great Change

"Thai life insurers were much interested in the American methods of selling life insurance, which emphasize need and selling the family head primarily," he said. "They, like the Japanese, are just emerging from a philosophy of the monied contract. Also, life insurance in Thailand is growing up from scratch at the same time that the nation as a whole is undergoing a great social-economic change, rapidly changing from an agricultural country to one with formations of capital and concurrent changes in family status. At the present time there are still many self-supporting family units with little need for life insurance, but conditions are changing rapidly there."

Mr. Daniels made several lectures to life insurance gatherings in both Japan and Thailand, in which he covered public relations, marketing methods and current trends in the United States life insurance business.

## Steady Rise In A&S Benefits Noted In Institute Analysis

Benefit provisions in health insurance policies have been improved steadily since 1950, according to Health Insurance Institute. In 1951, a survey of some 101 companies showed that the top daily hospital allowance offered by 89% of these companies averaged \$8 or less, the institute said. Only 5% of those surveyed offered a policy paying \$10 a day or more.

In 1954, a survey of 186 companies disclosed that 72% offered policies with hospital benefits of \$15 a day or more, some 11% offered policies at \$20 a day, and 4%, \$25 daily or more. Only three of the companies surveyed that year had a maximum daily hospital benefit of \$8.

The trend toward more adequate daily hospital benefits continued, the institute found. A recent review of 188 companies indicated that 93% of-

fer maximum daily hospital benefits of \$15 or more. This same analysis, the institute reported, showed that 32% of the surveyed companies offer \$20 a day or more, and 17%, upwards to \$25 a day. In addition, at least three companies have policies with hospital benefits of \$30 a day or more.

The maximum duration of stay in the hospital also has been extended, the institute stated.

### Surgical Expenses Broadened

The 1951 survey indicated that 59% offered a maximum of 90 days of hospitalization a year and 12% offered more than 120 days. The 1954 study showed 51% offered 90 days and 20% offered 120 days or more. The recent analysis indicated that about 32% would write 120 days or more, and 18% cover hospitalization up to a year.

The broadening of benefits in available health policies also holds true for surgical expense coverage, the institute said. Among 183 companies surveyed in 1954, some 16% offer maximum surgical benefits of \$300 or more. Currently, of 188 companies analyzed, 72% offer a surgical maximum of \$300 or more.

## What *Else* does a Thinking Man Think about?

Weightlessness? The Summit? Cars? Girls?

Probably. But a lot of them are also thinking about insurance and National Life (over 8,500,000 policies in force).



THE  
NATIONAL LIFE  
AND ACCIDENT  
INSURANCE COMPANY  
HOME OFFICE - NASHVILLE, TENNESSEE

## Says Companies Could Readily Prevent Twisting

A CLU in a midwestern city writes:

In your editorial "More Twisting Than Meets The Eye," in the Aug. 1 issue, you make some excellent points. Perhaps I can add a thought or two. I took over an agency here for the Life Ins. Co. in 1949. Its former general agent was twisting the company's business to his own company. The president of the company paid me a salary for a short time for the sole purpose of conserving business. I saved about \$2 million of it.

Of course, the company obtained Mr. Twister's business from his prior company in the first place. Mr. Twister's pattern for some 20-odd years has been to change companies every five to seven years, twisting business as he goes. He is still operating according to pattern.

During my conservation work, I col-

lected many affidavits regarding twisting and misrepresentation, but to no avail. I learned that affidavits, NALU, insurance departments and the screams of hurt agents mean nothing as long as a company is willing to accept business from Mr. Twister. And there is no excuse for this.

It takes very little effort on the part of a company to learn about those situations which result in business for it at the expense of another company. Conservation is then a simple matter of advising the policyholder of the facts. It is strange that most surrender forms do not ask a specific question regarding the replacement of policies.

This would be a simple way of uncovering twisting activity. In fact, I know of applications which no longer ask the question, "Does this application replace any existing insurance?" The hunger for volume is warping clear thinking. As long as there are companies that approve of twisting by knowingly accepting business that has been twisted, the practice will continue.

It is amusing (and tragic) to listen

## NAIC Zone V Meeting Set For May 10-12

Zone V of National Assn. of Insurance Commissioners will meet at the Biltmore Hotel in Oklahoma City May 10-12. The meeting will be under the direction of Oklahoma Commissioner Hunt, zone chairman, while arrangements will be handled by Ralph L. Reece, president of Globe L.&A. of Oklahoma City, who will be general chairman.

to the loud cries of companies hurt by twisting, which themselves obtained business by twisting. I wonder what their definition of "ethics" would be. Do I sound cynical? Perhaps. But don't let it fool you. I love this business and I have a profound respect for every man and woman in it. In many ways we are still in the throes of growing pains and immature confusion.

## American United Life's Annual Convention At French Lick Draws 300

Theme of the annual convention of American United Life at French Lick, Ind., was Success Is Spelled with a Capital P, meaning People, Premium and Persistency. The 10-day meeting was attended by 300, including officers, directors and their wives.

Major changes announced in the new rate book were: Adoption of a quantity discount system; use of reduced rate for females, and a general reduction in the level of gross premiums.

### Reasons For Success

President Clarence A. Jackson told the agents that the company's success reflects the courage, energy, hard work and confidence they displayed. Other speakers were Lawrence Leland, manager of agencies; W. Harold Petersen, superintendent of A&S agencies; Sherman M. Jensen, group vice-president; Milton Elrod Jr., independent legal consultant, and Kenneth Anderson, Insurance R.&R.

Frank E. Sullivan, South Bend, was moderator of a 2-day panel on deferred compensation. He also won the two highest awards as paid volume and premium income leader.

Before the meeting, 92 of the top agents and their wives visited the company's new home office in Indianapolis.

## Ohio Legislature Raises Home Loan Limit To 75%

A number of bills affecting life companies were enacted at the past session of the Ohio legislature. One permits single home loans up to 75% of actual market value, compared with the previous limit of two-thirds. Another bans the practice of requiring a home purchaser to take out a life policy before granting a mortgage loan. Other bills included one to permit credit unions to buy group life, and one to allow domestic fire companies to invest in life stock.

### United Of Chicago Sets Records

United of Chicago had its most successful six months of operation in the first half of 1954, with the second quarter showing an increase of \$42,802 in industrial and ordinary production of \$15 million. President J. R. Hogan attributed these results to a campaign to commemorate the company's 40th year, the 75th birthday on Aug. 4 of O. T. Hogan, founder and chairman, and the 25th service anniversary of J. R. Hogan.

## Iowa GAMA Holds Estate Planning Seminar

Forty-five members of Life Insurance General Agents & Managers Assn. of Iowa attended a seminar at State University of Iowa to discuss ideas and problems with specialists in the estate planning field. The seminar was sponsored by Iowa GAMA in cooperation with the Iowa Center for Continuation Study to discuss farm-estate planning and formal and informal pensions for small businesses and incorporated farms.

Speakers included Dean S. G. Winter, college of business administration, who opened the first session; Prof. Clark C. Bloom, assistant director of the university bureau of business and economic research, who discussed estate planning for the farmer with emphasis on the farm economic outlook, and Prof. John C. O'Byrne, college of law, who described the advantages and disadvantages of farm incorporation as applied to current trends toward larger operations.

Russell Hess, vice-president and trust officer of the Merchants National Bank of Cedar Rapids, reviewed the use of trusts in farm-estate planning. Luther L. Hill and Wilson Forker, assistant counsel and superintendent of agencies, respectively, of Equitable of Iowa, spoke on formal and informal pensions for small businesses and incorporated farms.

## Chicago CLUs Schedule Informational Session

Chicago CLU chapter is conducting a general information session for prospective CLU students Sept. 1 at the Field Building. Speakers are Walter B. Wheeler, director American College, who will be on hand from Philadelphia to discuss requirements of the college; Robert L. Hoefler, assistant dean college of commerce, De Paul University, which offers the CLU review courses, and Robert Nathan, Equitable Society, Million Dollar Round Table member and a recent CLU.

This is the second of such meetings. The one last year drew more than 125 persons and produced a substantial increase in CLU review course enrollments. Further information may be obtained from Co-chairmen Edgar D. Tripple, vice-president and manager life, accident & group department, Rockwood Co. agency, and Louis S. Terhune, brokerage manager Alford agency Prudential.

### Three Midland Mut. Agencies Cited

Midland Mutual Life is again in 1954 conducting a year-long manpower development campaign among general agencies. Scoring is based on net manpower growth in terms of new agents placed under contract and the production results of these appointees. Agencies are divided into three competing groups according to the number of management or supervisory personnel on their staffs. Agencies leading the way at the end of the first six months were Van Elgort, Beverly Hills, Cal.; Gandelman, Trenton, N.J., and Ham Summit, N.J.

### Indiana HO Underwriters Meet

Indiana Home Office Underwriters Assn. will meet Sept. 9 in Indianapolis. Term insurance, driving habits and sales persistence will be discussed by a panel comprised of John Ballenger, American United; Robert Kelly, Great Fidelity; James Hobbs, Lafayette Life, and Theodore Steele, State Life.



**WHALE OF AN OPPORTUNITY**

State Life is looking for men who picture themselves "going places" as career underwriters, agency managers or assistants. You can do it, if you're willing to try . . . and you'll operate under one of the most rewarding contracts ever offered. State Life's contract is chock full of features that include a lucrative commission plan with retirement benefits and bonuses for volume and persistency, modernized training programs, a career financing plan for new men, plus a host of other benefits too numerous to state here. Find out what State Life can do for you by writing today.

**DIHL H. LUCUS**  
Vice-President and Director of Agencies

**The STATE LIFE Insurance Company**  
Indianapolis

A MUTUAL COMPANY FOUNDED 1894



## Home Office Changes

### Bankers Life & Casualty

Edward Condon has been named advertising director and Warren Mattix assistant advertising director. Mr. Condon joined the company in 1956 after several years in advertising and



Edward Condon



Warren Mattix

sales promotion with Encyclopedia Britannica and Esquire-Coronet publications. Mr. Mattix has been with the company since May, 1957. Before that, he was subscription promotion manager for Meredith Publishing Co. in Des Moines.

Joseph Parkin, advertising director since 1955, has left the company to head Mail Talent, direct mail firm in Stamford, Conn. He will retain association with the company as a marketing consultant.

### Bankers Life Of Iowa

Richard K. Greer and Donald L. Arant have been named supervisors at the home office and will work on various assignments with agencies across the country. Mr. Greer joined the company in 1957 at Columbus and became agency trainer there in 1959. He was formerly a cost accountant and a field examiner for Ohio department of taxation. Mr. Arant has been in the life insurance business about six years with New England Life, Mutual of New York and Bankers Life of Iowa, all at Bakersfield, Cal.

### State Farm Life

Recent promotions are: Dayle E. Garrett, chief underwriter at the home office, to regional manager at Columbia, Mo.; Richard A. Nelson, director of administration at Charlottesville, Va., to regional manager at Newark, O., and William O. Burns, assistant actuary, to associate actuary at the home office.

### United Benefit Life

Dale Smith has been appointed manager of the policy loan department, succeeding John Burrell, who has been appointed administrative assistant in the agency department. Kenneth Larsen has been named assistant manager of the policy loan department.

### Beneficial Standard

A. B. Green has been elected assistant vice-president and associate general counsel, and William B. Dandy becomes assistant controller. Mr. Green has been counsel at the home office since 1956 and Mr. Dandy was vice-president of Protective Security Life of Los Angeles before joining Beneficial Standard.

### Old Equity Life

Herbert F. Higgs, regional agency director since December, has been promoted to agency director. He has been with the company two years. David M. Siegel, who joined the company as an agent at Cleveland in

1953, has been appointed general agency director. He was director of the special service division.

New assistant agency director is Milton Zepkin, who has been manager of Tennessee since March. He joined Old Equity in 1953.

### United Life & Accident

Ernest E. Newcombe Sr., secretary-treasurer of Peerless Ins. Co. of Keene, N. H., has been elected a director of United Life & Accident. He fills the vacancy caused by the resignation of Montague H. Zink. He will serve on the executive and finance committees.

Lawrence C. Patz of the actuarial department was elected assistant actuary. Before joining United last January he was in New York Life's actuarial department. He is an associate of Society of Actuaries.

### New York Life

Miss Katharine McBride, president of Bryn Mawr College, has been elected a director of New York Life. She is a trustee of University of Pennsylvania and the Shipley School and a former trustee of Radcliffe College, and has served on many educational and scientific committees, including the President's committee on education beyond the high school. She is a former chairman of the American Council on Education and of the College Entrance Examination Board.

### Gulf Life

Byron M. Morris has been elected assistant agency vice-president of the ordinary division. He joined the company in 1939 and has been supervisor of ordinary agencies since 1955.

### Great National

Truman C. Ragsdale, formerly assistant secretary at the home office in Dallas, is now in charge of the actuarial department. He has been with Great National since 1955.

### California Life

Frederick O. Shafer has joined the company as chief underwriter. He was an underwriter of Occidental Life of California for two years.

**CROWN NATIONAL LIFE** of Indiana—John McGurk has been named board chairman.

**HBA LIFE** of Phoenix has appointed William H. Hendrickson, former director of research and development for United Benefit Life, as vice-president and director of agencies. A CLU, he began in life insurance in 1946 with Equitable Society, going with United Benefit at Pittsburgh in 1952 and to the home office in 1955.

**MIDWESTERN UNITED LIFE**—Ralph D. Clingaman has been appointed assistant to the president. He joined the company shortly after its formation in 1948.

**UNITED AMERICAN LIFE** has named James B. Parten as director of training and superintendent of agencies. He has been in life insurance sales work for nine years.

**NATIONAL A.&H.** has appointed Robert E. Ambrose vice-president in charge of ordinary life. Prior to joining

Who  
Writes  
Just  
About  
Everything?

We do!

#### LIFE:

NON-PARTICIPATING  
PARTICIPATING  
STANDARD  
SUB-STANDARD  
ORDINARY  
SPECIAL

#### ACCIDENT AND SICKNESS:

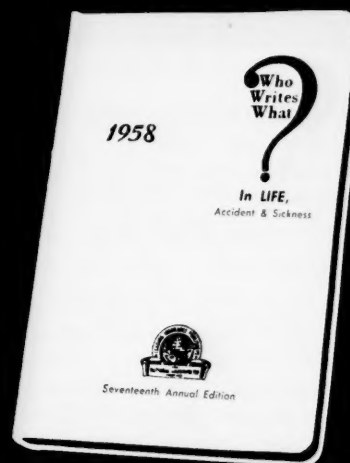
DISABILITY INCOME  
GUARANTEED RENEWABLE  
HOSPITALIZATION  
NON-CANCELLABLE ACCIDENT  
and SICKNESS  
MAJOR MEDICAL

#### GROUP:

PURE GROUP  
SMALL GROUP  
FRANCHISE  
PENSION TRUST

#### GUARANTEED ISSUE

INSURED INSURABILITY  
COMPLETE REINSURANCE  
SERVICES



you can easily check for yourself

Today is a good time

to investigate the exclusive

GENERAL AGENCY OPPORTUNITIES

with the GO Company

Contact H. R. Hunke

Asst. Vice Pres. & Director General Agencies

**REPUBLIC NATIONAL LIFE**  
*Insurance Company*  
DALLAS, TEXAS

NOW IN 40 STATES, DISTRICT OF COLUMBIA, HAWAII,  
AND PUERTO RICO.

National in 1953, he was with American Casualty, Prudential and Continental Casualty. Since 1957, he has been superintendent of the monthly and commercial underwriting department.

**NEBRASKA NATIONAL LIFE** has appointed Ralph H. Doty vice-president and agency director, and has elected him to the board. Active in agency work since 1934, Mr. Doty joined the company on June 16.

**INVESTORS LIFE** of Iowa, newly formed company, has named Samuel E. Orebaugh, who recently resigned as chief deputy commissioner of the Iowa department, as executive vice-president and manager. He had been general counsel for the department for 15 years and chief deputy commissioner for the major part of that time. The home office will be in Cedar Rapids.

**TRANSOUTH LIFE** of Columbia, S. C., has appointed C. P. Brown Jr. director of agencies in charge of A&H sales. He was formerly sales supervisor of H.B.A. Life, a field

director of Richmond Life and a regional manager of Union Bankers in Pennsylvania and Delaware.

**BANKERS FIDELITY LIFE**—E. F. Mauldin of Leighton, Ala., has been elected a director. A prominent cattleman, farmer and cotton-ginner, he is also president and chairman of the Bank of Leighton. Bankers Fidelity was recently licensed in Alabama.

**STATE NATIONAL LIFE** of St. Louis has elected Louis A. Robertson of the law firm Alexander & Robertson, president, to succeed the late Cornelius J. Shea. Mr. Robertson has been a director of the company since 1945.

#### Interstate Life, Houston, Now Has \$12 Million In Force

Interstate Life of Houston now has more than \$2.5 million assets and more than \$12 million of life in force according to its midyear report. The company has also completed leasing its home office. The building contains some 31,000 square feet, of which 25,000 is leased.

## Changes In The Field

### Bankers Life Of Iowa



George E. Evans

New agency managers are George E. Evans of a newly established unit at Dayton, O., and Richard G. O'Brien at Eau Claire, Wis. Mr. Evans began in insurance with the company in 1955 at Columbus, O., and was named agency supervisor there in 1957. Mr. O'Brien has been with the company since graduation from University of Wisconsin in 1949. He succeeds Richard L. Wamsley, who has been named manager at Sioux Falls, S. D.

Richard T. Rostvold has been named group representative at Minneapolis and will be associated with M. B. Moore, group field manager at Milwaukee and Robert W. Beck, group representative.

### National Life & Accident

J. Pat Maxwell has been appointed eastern manager of the real estate and mortgage loan department. He has been with Prudential for 12 years, recently as manager of the Nashville and middle Tennessee mortgage loan office.

### Union Central Life

Seymour Friedman has been named to head an additional agency in Chicago; M. Alvin Sessi has been transferred from manager in Syracuse to the



N. A. Parinello



Seymour Friedman

same post in Pittsburgh; Nick A. Parinello becomes manager at Rockford, Ill., and Miles I. Lihn succeeds Mr. Sessi at Syracuse. Mr. Sessi has been with the company since 1953.

Leon L. Dary Jr., formerly assistant



M. Alvin Sessi



Miles I. Lihn

manager at Taunton, Mass., for Metropolitan, has been named district manager in the Providence, R. I., branch of Union Central's Boston agency. His territory will include southern Massachusetts and Rhode Island.

### Valley Forge Life

Valley Forge Life, a member of the American Casualty group, has named

the following life brokerage supervisors:

Carmen LaPorte at Reading. He has been with Prudential since 1956. Earl A. Kelly at Pittsburgh. He has been district manager of Equitable Society since 1956 and joined the company in 1951. Before that he was with Hartford Accident & Indemnity as a claims adjuster. He became a CLU in 1957.

Richard G. Meyer at Cincinnati. He has been life brokerage manager of Occidental of California and before that was division manager of Prudential.

### Occidental Of California



J. T. Cullen

J. T. Cullen has been appointed general agent at Springfield, O. He was with Prudential there for 12 years as an agent and assistant manager, and he has operated his own general insurance agency for a year. Melvin H. Precht has joined the company as general agent at Austin, Minn. He has been an agent and district manager for Equitable Society for 21 years, the last 15 at Austin.

Thomas R. Martin Jr. has been named manager of the Chicago office. He moves from Sacramento where he had been regional group manager since 1952. He joined Occidental in 1948.

Succeeding Mr. Martin at Sacramento is James H. Story. Mr. Story joined Occidental in 1953 and has been at Sacramento since 1957.

Frank E. Suran, assistant regional group manager has been transferred from Houston to Los Angeles.

Dan C. Derby Jr., has been appointed brokerage manager at Stockton, Calif. He is joining Occidental after three years as district agent there for Prudential.

Earl P. Bossier has been appointed assistant brokerage manager at San Francisco. He was formerly with Equitable Society there for five years.

### Security L.&A.

Alfred E. Loveland Jr. has been appointed Portland agency manager. Formerly with Pacific Mutual, Mr. Loveland has been in agency management for six years, specializing in estate analyses, programming, group and business insurance.

### State Mutual Life

James L. McKown Jr. has been named manager of the group office at St. Louis to succeed Bruce A. Wesel, who has been transferred to the State Mutual agency there as manager. Mr. McKown has been a group agent with General American Life since 1953.

### American National

New general agents are:

Abe Attaway, former district manager in north Texas, at Denver; Harley E. Bergener, with the company for 15 years, at Logan, Utah; Alvin Parisi, manager at Fort Smith, Ark., and with the company since 1941, at Colorado Springs; Louis A. Quan, with the

## Longer Dollars for Longer Lives



### WITH MANUFACTURERS LIFE ANNUITIES

**Q:** How can you help your client avoid out-living his capital resources — a danger that is intensified by increasing life expectancy?

**A:** Sell him a Manufacturers Life Annuity.

**Q:** Why an Annuity?

**A:** An Annuity gives him an ideal investment.

- (1) annual return he cannot outlive (and annuitants live longer).
- (2) return guaranteed; doesn't fluctuate with the economy.
- (3) receives favorable tax treatment.
- (4) free of money management worries.

**Q:** Why Manufacturers Life?

**A:** Manufacturers Life, a recognized leader in the annuity field, offers a wide variety of plans. Our low deposit schedule means high returns for your clients.

FOR MORE INFORMATION CONTACT ONE OF OUR BRANCHES IN THE FOLLOWING CITIES

Baltimore • Boise • Boston • Chicago • Cincinnati • Cleveland • Columbus • Denver  
Detroit • Flint • Hartford • Honolulu • Lansing • Los Angeles • Miami • Minneapolis  
Newark • Oklahoma City • Philadelphia • Pittsburgh • Portland • Richmond • Saginaw  
San Diego • San Francisco • Seattle • Spokane • Washington, D.C.

Also licensed in Alaska, Arizona, Delaware, Indiana, Iowa, Kentucky, Maine, Missouri, Montana, Nevada, New Hampshire, Utah, Vermont and West Virginia

THE  
**MANUFACTURERS**  
INSURANCE **LIFE** COMPANY

HEAD OFFICE (Established 1887) TORONTO, CANADA

69-59



company since 1937, at San Francisco; Alwin L. Smith at Reno; and Albert J. Sussman at Wilmington, Del.

Also Norman Weggenman, training assistant at Clayton, Mo., at Evansville; Travis Leopard, at Topeka since 1956, now at Davenport, Ia.; Lorrin M. White, at Salt Lake City since 1949, now at Idaho Falls; J. D. DeSpain, training assistant at Oakland, at San Jose, Cal.; J. D. Harris, training assistant, at San Francisco, and R. L. Harrison, succeeding Mr. Paris at Fort Smith.

### Washington National



Richard Lines

Richard M. Lines has been appointed general agent at Dallas. He entered the insurance business in 1950.

### Lincoln National

John V. Gilmour Jr. has been named supervisor in the Ulrich-Johnson agency at Oakland, Cal. He began in life insurance in 1950 with Lincoln National Life at Oakland.

### Northwestern Mutual Life

Harvey C. Clement has been appointed general agent at Manchester, N. H., to succeed Vaughn D. Griffin, who retires Aug. 31 after 30 years as



H. C. Clement



Vaughn Griffin

general agent at Manchester and 36 years with the company. Mr. Griffin will continue to serve his personal clients. During his tenure as general agent, the agency's insurance in force more than doubled.

Mr. Clement began with the company in 1953 in the Griffin agency, remaining there until 1958, when he went to the home office as an assistant in the induction division of the agency department. He is a past president of Manchester Assn. of Life Underwriters. He was with Metropolitan Life for two years before joining Northwestern.

### Southland Life

Stanley Russ, assistant manager at Austin, Tex., has been transferred to Little Rock as manager. With the company since 1954, he succeeds Guy R. Cannon, who has been assigned to the ordinary division at the home office. Mr. Cannon joined Southland in 1953.

### Travelers

Field supervisors promoted to assistant managers are W.T. Copp, Hartford; R.O. Osteen, Jacksonville; R.C. Seitz, Miami; O. N. Harten Jr., Detroit; W.E. Deswert and L.T. Seely Jr.,

Newark; G.F. Dixon Jr., Toledo; J.A. McKenzie, Columbia, S.C.; S.R. Meredith Jr., Richmond, and Eugene Mayer, Seattle.

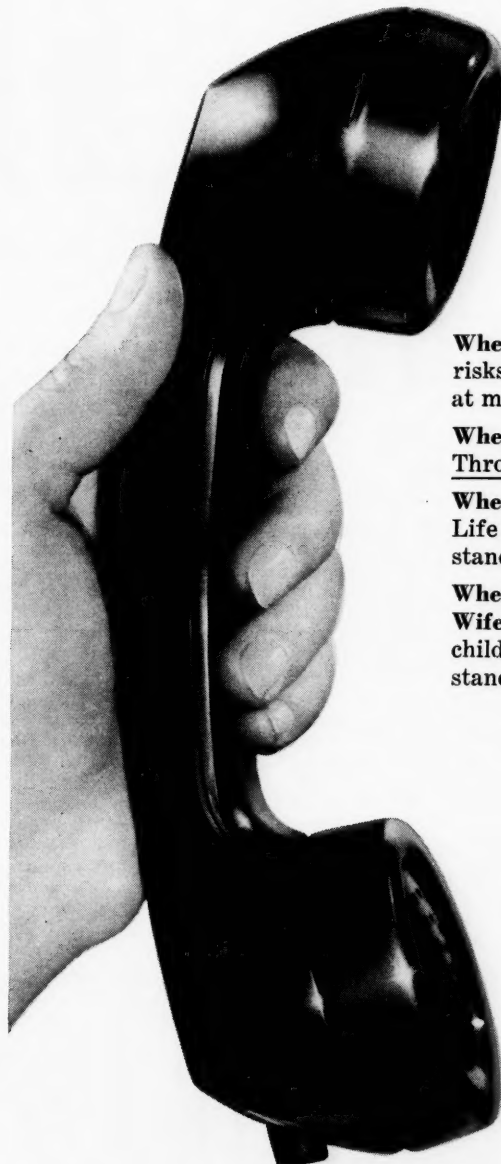
Agency service representatives promoted to field supervisors are G.C. Hurst, Birmingham; N.J. Root, Denver; W.M. Chittenden Jr. and M.E. Mossberg, Hartford; R.W. Butler, Miami; D.J. Soper, Tampa; J.E. Farney, Wichita; W.G. Logan, Louisville; D.A. MacLean, Springfield, Mass.; J.W. Prissack and G.J. Vollmer, Kansas City; E.A. Kimball, Newark; R.E. Searles,

Albany; J.A. Hazlett, Buffalo; H.F. Fraser, Hempstead, N.Y.; G.B. McCausland Jr., New York; D.K. Hill, Charlotte, N.C.; J.A. Broadway, Dayton; D.R. Reynolds, Lubbock, Tex.; J.T. Knight, Norfolk; C.T. Jarrell, Charleston, W. Va.; T.M. Rust, Milwaukee, and T.P. Williams, Columbia, S.C.

Agency service representatives appointed are T.W. Flynn, St. Paul; D.M. Johnson, Jackson, Miss.; R.A. Gilkeson, Charleston, W. Va.; P.L. Wagner, San Francisco; A.T. Zim-

merman, Des Moines; D.L. Dellinger, Charlotte, N.C.; B.D. Hawkins, Cleveland; R.L. Templeton, Norfolk; J.E. Settele, Hempstead, N.Y.; Raymond Dobbie, Philadelphia; G.W. Fitzpatrick, Houston; W.D. Chumney, Richmond; Eugene Allbrooks, New York; B.L. Sibley, Dallas; J.E. Cheshier, Houston; D.D. Champion, Lubbock, Tex.; D.D. Beeson, Des Moines; W.B. Twietmeyer, Duluth; R.W. DuPont, Kansas City; J.W. Savely Jr., Cincinnati; G.F. Eldredge, Columbus, O.; R.J. Stewart, San Diego; W.H. Tyler III, San Fran-

## Give him a ring



When you phone  
The Man from Manhattan,  
chances are your problem is over.

HERE ARE JUST A FEW  
OF MANY WAYS HE CAN HELP:

**When You Need Progressive Underwriting** on sub-standard risks Through Age 74 (we issue up to 1,000% mortality at most ages).

**When You Need Family Income** and decreasing term riders Through Issue Age 64, standard or sub-standard.

**When You Need Permanent Plans** (Ordinary Life, 10 Pay Life and 20 Pay Life) To Issue Age 75, standard or sub-standard.

**When You Need up to \$50,000 Low Cost Insurance on a Wife**, available under our Family Member rider, with children or even if there are no children, and issued standard or sub-standard.

**When You Need a Family Member Rider** to cover minor children of a widow, widower or divorcee without spouse (sub-standard issued on minor children).

**When You Need a Guarantee of Future Insurability**, issued and exercisable through age 64 with the guarantee amount actually payable at death if it occurs before conversion. Amounts available as high as \$50,000, standard or sub-standard, and at very low cost when Level Term Rider is attached to any permanent Manhattan policy—old or new.

**Manhattan Life is Famous for its Flexibility**, with 55 policies and 13 riders, not counting the sub-standard versions.

Better phone The Man from Manhattan

Our 2nd Century



THE MANHATTAN LIFE INSURANCE COMPANY  
of NEW YORK

Home Office: 111 West 57th Street, New York 19, N. Y.

cisco; J.T. Austin II, Hartford; V.W. the newly opened district office at Billings, Dallas; T.B. Perkins, New York; J.B. Victory Jr., Houston; D.C. Tompkins, Los Angeles; J.M. Shepley, Springfield, Mass.; H.H. Waters, Jackson, Miss.; D.L. Jenkins, Hartford; W.F. Sabin, Worcester, Mass., and M.J. Graham III, Philadelphia.

Agency service representatives transferred are D.R. Lane from New York to Brooklyn, and P.E. Wilson from Charlotte to Columbia, S.C.

### Manhattan Life



Devan W. Read

Devan W. Read has been appointed general agent at Jackson, Miss. The agency is in the Petroleum Building. Mr. Read has been in life insurance since 1953 with Mutual Benefit Life and Franklin Life. Before that he was with the duPont company and several other corporations.

### Equitable Society

Joseph S. Weeks of Milwaukee, Wisconsin cashier since 1928 and with the company for 41 years, has retired. He began his Equitable career as head teller in its Boston cashier's office, following which he served in Birmingham, Boston and Milwaukee.

### Sun Life Of Canada

J. E. Fregeau, unit supervisor at Montreal since 1957, has been named manager there. He joined Sun Life in 1956.

### Federal Life

Peter G. Frederickson has been appointed group regional manager in San Francisco.

### Prudential

Paul Potter has been named staff manager at the Livonia, Mich., district office.

### Connecticut General

Russell F. Hall, former agent at Albany, has been named manager of

**SECURITY-CONNECTICUT LIFE** has appointed David J. Robertson regional superintendent of agencies with responsibility for appointing and developing new general agencies in central and northern California and in Oregon, Washington, Idaho and Nevada. He was with the company as San Francisco manager in 1958.

**PATRIOT LIFE** of New York has appointed these general agencies: George E. White Jr., Albany; Charles Solomon, Inc., Brooklyn; H-K agency, Inc., New Hyde Park, N.Y.; Jacob I. Treff agency, Flushing, N. Y.; Samuel Misrok agency, Brooklyn; Al Bornstein agency, New York City.

**MICHIGAN LIFE**—R. C. Garrison Associates of Lathrup Village, Mich., has been appointed general agent for Oakland, Wayne and Macomb counties.

**PACIFIC FIDELITY LIFE** has appointed Euro F. Eusebi general agent in the Long Beach, Cal., area.

### Bankers Natl. Up 36% In July For Ordinary Paid Business

Bankers National Life's ordinary paid-for in July was 36% ahead. Ordinary for the first seven months totaled \$31,458,589, up 29%.

Total new business, including group, was \$57,155,423 as against \$42,873,122. Total insurance in force at the end of July amounted to \$561,550,369, up \$30,771,911 since Jan. 1.

### Knights Of Columbus Insurance In Force Exceeds \$900 Million

Knights of Columbus insurance in force passed the \$900 million mark on Aug. 10, for an increase of \$110 million during the previous year and a gain of almost \$500 million in six years. Membership in the Knights is more than 1,115,000 in 4,366 councils in the United States, Canada, Cuba, Mexico, Panama, Puerto Rico and the Philippines.

**Massachusetts Indemnity & Life** has been licensed in Montana.

**Fidelity Interstate Life** has been licensed in Alabama.



with the employees, and Chicago radio personalities.

In last week's issue of *The National Underwriter*, there appeared an unusual full-page advertisement which listed assets of all companies of the "MacArthur group."

### Hayes Joins Davis In Opposing Long In La.

Commissioner Rufus D. Hayes of Louisiana has announced he will seek succession to that office on the ticket headed by Jimmie Davis, former governor, who is opposing Gov. Earl K. Long in the primary Dec. 5. Edgar Coco, state director of registration, has joined Gov. Long's ticket.

Other announced candidates for commissioner include C. Joseph Blanchard, a New Orleans agent; Harley McCall, Lake Charles agent, and Paul Tate, city attorney of Mamou.

### Towers, Perrin Open At Atlanta

Towers, Perrin, Forster & Crosby will open an office at Atlanta Sept. 1 with Joseph W. Satterthwaite resident consultant in charge. Mr. Satterthwaite has been in employee benefit planning for 10 years and with the company for seven.

**General American Life** reports paid ordinary life sales for July were 25% higher than those for the same month last year.



H. Bruce Palmer, left, president of Mutual Benefit Life, receives the insurance man of the year award of Federation of Insurance Counsel from last year's winner, Gus H. Wortham, president of American General. The award was presented at the federation's annual meeting at Miami Beach.

### French Students Tour Home Office Of Bankers National

Ten French students, visiting the United States through the Experiment in International Living, toured the home office of Bankers National Life to learn the fundamentals of the life insurance business.

The Experiment in International Living program aims at giving foreigners a true picture of American life by having each visitor live with a U. S. family for several weeks. The French students are staying in homes in Montclair, N.J., site of Bankers National's home office.

### Bankers Of Iowa Sales 30% Ahead

New business of Bankers Life of Iowa in July amounted to \$55,800,780, an increase of more than 30% over the same month last year. Ordinary was up more than \$7 million to \$36,021,166. Group, up nearly \$6 million, amounted to \$19,779,614. Production for the first seven months amounted to \$306,391,851, an increase of more than 26%. Total in force reached \$3,465,866,460 by July 31. Of this, \$1,921,983,528 was ordinary and \$1,543,882,932 was group.

### Calhoun Life Has 16.3% Increase

Calhoun Life of Columbia, S.C., had a 16.3% increase of business in the first six months of 1959. Ordinary life in force increased 16.9%; weekly and monthly premiums rose 11.3%. The company does business in South Carolina only.

### INSURANCE FILING SYSTEMS • OUR SPECIALTY SINCE 1919 •

We were the originators of Two-Way and Three-Way Tang Folders, made especially for Application permanent record files. We also have Transparent Policy Jackets. Samples of folders and jackets with price lists sent on request.

**H. B. McClure Mfg. Co.**  
2302 West Glen Ave.  
Peoria, Illinois

We sell direct to Insurance Companies

*Interested in additional tax savings for your clients?*

OUR SOLE BUSINESS IS THE PURCHASE  
OF MATURING ENDOWMENT AND  
RETIREMENT INCOME CONTRACTS  
MINIMUM PURCHASE \$10,000 • NO LIMIT

**INSURANCE RESEARCH COMPANY**

67 WALL STREET

NEW YORK 5, N. Y.

BOWLING GREEN 9-5726

ESTABLISHED 1954



## Untapped 45-Plus Market Is Hailed

(CONTINUED FROM PAGE 6)

widows should they die today. They don't have parents to depend on for supporting the widow (often, there is the problem of helping to support the parents), and there is no place to turn but to life insurance.

7. The degree of success of these men is certain. By the time he is 45, a man is either well-off financially or he is not. The "haves" are obvious, and the "have nots" are equally obvious. It's easier for you to select a quality prospect in this age bracket than it is to measure the chances of a man's success at 25.

8. Here's a short but important point. These men are more inclined to be available during the daytime interview doldrums in which you often find yourself.

### Opportunity For Service

9. There is an excellent opportunity for you to perform service work for people in this age category. Many of them have policies that they originally bought purely for reasons of protection. Perhaps you can set up change of plan clauses, re-do settlement options or simply give yourself some good practice in the important area of service work.

10. Many of these men are sure to have large amounts of accumulated dividends on older policies. These dividends could almost certainly be reinvested in new retirement plans. You know what it means when you find a man who has a large dividend accumulation and is in a mood to invest it.

11. If your client has been so successful that he has no retirement problem, then he probably has an estate problem—and those are nice to talk about also.

### Presenting Ideas

We've given you the reasons why men in the 45 and over age group are good prospects for you. The problem is to find a way to approach them—to arouse their interest and to help them understand the very sensible reasons for buying life insurance at this age. Many of these men think of life insurance only as protection. This fact makes it doubly important that you have good ideas to talk about, ideas that will convince them that life insurance is more than protection—it's a sound investment for a man approaching retirement.

Here are five ideas to give you some food for conversation when you contact these people.

1. "Mr. Johnson, you're 55 years old. Do you think that you could invest \$4,000 a year in the stock market, receive a guaranteed appreciation of 8%, so that at the end of ten years you would have \$60,000 of capital value, and that you could invest that \$60,000 at 6% to produce an income of \$3,600 a year? And, could you maintain that investment so you would not have to use part of that capital for income?"

Probably one out of 1,000 investors in the stock market could achieve this goal even in good times—so at best, your prospect's chances are very poor, and at worst, he may come far below his goal.

Yet, the surprising thing is, your older client can invest \$4,000 annually in a retirement income endowment and achieve the same monthly income based on the 1959 dividend scale and interest rate, to be considered as neith-

er guarantees nor estimates for the future). Just \$25,000 of retirement income at 65 will bring him the equivalent of this same performance at the stock market. And remember, his 6% earned on his securities is entirely taxable depending on his income from other sources.

### Tax One-Fourth Or One-Third

The Connecticut Mutual Life income would be taxed only one-fourth or one-third depending on the way he chooses to receive his money. Compare the rates for the RIE at 65 and the retirement annuity and you will find some amazing information. You will find that the \$25,000 of life insurance that he buys will, over a 10-year span, cost only \$187 more than would the annuity when you consider this on the basis of total net payments. Therefore, if he's uninsurable for life insurance, he can accomplish the same result through the purchase of a retirement annuity!

### Retirement Incomes Rare

2. You can talk to your prospect pretty strongly in terms of having to do something now about retirement; it is no longer optional. Retired men must have incomes and the Twentieth Century Fund tells us that the possession of a retirement income is a rare accomplishment. You should ask your prospect what his plans for retirement are.

Does he plan to sponge off his children? Does he plan to put his wife to work or to work himself until he drops? Or, does he plan to start investing in what you have to offer him and be free and happy in the sunset years? Remember this: Your client no longer has an option. It's compulsory that he take the way out that you offer if he wants to be independent.

3. "Mr. Johnson, you have three children. What plans have you made for rapid estate accumulations for your own retirement and for distributing that estate to your widow and to your children upon your death?" What an avenue of service and sales this approach will open! Your prospect is at an age now where he's got to think about these things. Again, he has no choice. If he wants to salvage something out of his life's work in his attempt to build an estate, he's got to do it now.

### No Protection Under Social Security

"Mr. Johnson, I don't know how familiar you are with the social security act, but has it occurred to you that since your children have grown and gone, you have no protection under social security until you reach age 65? Perhaps it might be a good idea, Mr. Johnson, if we sat down, examined your current life insurance holdings and made sure that they are properly arranged to do two things.

First of all, they should provide your widow with an adequate income so that she won't have to live with your children, and secondly, we must make sure that your life insurance estate is going to provide adequate retirement benefits for you at age 65."

What are we looking for here? You're looking for an opportunity to change plans to do a broad over-all service job and to have an opportunity to sell some high premium retirement insurance to our prospect.

### Estate Conservation

4. The old estate conservation idea. "Mr. Prospect, do you have any idea as to what slice local, state, and federal taxes will take out of your estate on the day of your death? Do you have any idea what the expenses will be

## St. Louis GA To Be LIAMA Consultant

L. B. Leach, formerly general agent at Kansas City for Connecticut Mutual, has joined LIAMA as a consultant in the company relations division. A former Westinghouse sales engineer, Mr. Leach entered life insurance in 1950 with Connecticut Mutual at Kansas City. He became a supervisor there the following year and general agent in 1953.



L. B. Leach

in settling this estate? I'm here to offer my services in helping you to determine these facts, and to determine the best method for you to accumulate the money to do this job!

5. If Mr. 55-Years-Old is a grandfather, what a chance to talk to him about the greatest gift in the world he can give to his grandchildren! Get out your rate book and look at that fabulous product—the "Jumping Juvenile!" How would you, Mr. Life Insurance Salesman, like to be paying \$9.40 per \$1,000 at age 35 for life insurance? Let's assume you are age 35, and your grandpappy had had the opportunity to buy you an insurance builder when you were one year of age. Do you realize that you'd only be paying \$9.40 per \$1,000 for \$5,000 worth of life insurance, \$47 a year, and that you'd have a cash value already of around \$1,600? How would you like it if your grandpappy had bought you three units of the insurance builders, so that you were getting \$15,000 of life insurance for a premium of \$136 a year? You have nearly \$5,000 in cash values, and we haven't even mentioned dividends!

### Wonderful Product

It's easy to see that we have a wonderful product to sell to people in the over 45 age bracket. Let's stop thinking of life insurance solely in terms of protection values for the younger man. I have listed a few of the enormous variety of applications of life insurance to the problems of men over 45.

Doesn't it make sense to develop this market? These people have fluid assets. They have very definite needs that must be met and met in the very near future. They are rarely called on by life insurance men. And, incidentally, you can have the knowledge that you are doing a great service for people by providing them with the life insurance protection that they need and may not be able to provide for when "tomorrow" comes.

## Sheraton Hotels To Offer Credit Card Travel Cover

Sheraton Hotel credit card facilities will be available to independent agents and brokers selling a new travel policy written by Beneficial Standard. Sheraton is the first hotel operation to include travel insurance in its credit card plan. The policy will be sold on an individual basis, with accidental death benefits ranging up to \$120,000 and medical expense to \$5,000.

John B. Sanders Jr., Lake Charles, La., regional manager for Franklin Life, led all other company managers in regional expansion during July.

## ANOTHER NEW FILM

FROM

*Underwriters Films*

2025 GLENWOOD AVENUE  
TOLEDO 2, OHIO

LEADING PRODUCERS  
OF STOCK — CUSTOM — OR  
TAILORED FILMS FOR THE  
INSURANCE INDUSTRY

"PAID  
IN FULL"

7 MINUTES ...  
36 COLOR FRAMES  
OF ACTION PACKED  
MOTIVATION TO

HELP YOU  
SELL MORE  
MORTGAGE  
CANCELLATION  
INSURANCE

START YOUR  
AUDIO-VISUAL PROGRAM  
WITH "PAID IN FULL"  
or add it to your  
existing program

DISTRIBUTORS  
COAST TO COAST  
TO GIVE YOU  
A DESK SIDE  
DEMONSTRATION

WRITE  
TODAY  
FOR FULL DETAILS

## Editorial Comment

### Convention Budgets Can Be Balanced

THE NATIONAL UNDERWRITER'S JUNE 27 account of the annual meeting of International Assn. of A&H Underwriters mentioned the ingenious arrangement for financing the convention that was worked out by the general chairman, Robert W. Osler, vice-president of Rough Notes Co. The returns are now in, and it can be said that the plan was as successful as it was ingenious.

The problem facing the convention committee was that although they were operating with a tight budget so as to hold the registration fee as low as possible and still keep up the quality of the program, the major convention expenses would have to be taken care of before the major convention income—i.e. registration fees—was available.

As an agents' association, IAAHU was reluctant to ask for company contributions. Therefore, the committee decided to approach all Indiana life companies and all Indiana casualty companies writing A&S, asking that each company lend the convention committee \$100, which the committee would undertake to repay in full, but which it would be obligated to repay only pro-rata or not at all if convention net receipts should not permit full repayment.

Out of 46 companies so approached, exactly half responded with checks for \$100. These contributions made the difference between success and real trouble, for, as Chairman Osler said, "Without their support we simply could not have operated."

At one of the dinner sessions, the official representative of each of these cooperative companies was given official recognition and a round of applause.

It is possible now to report that these companies also got something more than recognition and applause. Every one has been repaid its \$100 loan in full.

More than that, the convention committee refunded the money of all who sent in advance registrations but did not show up, even though the registration blank stated that there would be no obligation to make re-

funds to those who had not cancelled by June 8. And in spite of that, the convention had a nice margin of profit left over to add to the association's treasury.

This fine financial record was made possible only by the strictest kind of control over every type of expenditure. For example, Chairman Osler personally scrutinized every expenditure by any of the subcommittees and insisted on no appropriation being made without his personal authorization.

At the same time there was no skimping on essentials. Expenses even included \$10,000 fidelity bonds for Mr. Osler and the committee treasurer—the only two persons authorized to sign checks—and \$250,000 personal liability and \$5,000 property damage coverage for individual members of the committee in case some registrant should bring suit for injury or damage.

Many other conventions of course are operated within their budgets, but it is encouraging to have this specific example as proof that it is quite possible to put on a financially sound convention by organizing it properly and using business sense in expenses and financial operations. If Mr. Osler can find the time to write a manual on how to conduct an outstandingly successful convention on an economical basis, it should have a sale comparable with those of his other published works.—R.B.M.

## Personals

**Ralph R. Lounsbury**, chairman of Bankers National Life, has been appointed to head the life insurance division of the finance committee of Eisenhower Exchange Fellowships, Inc. The committee has the responsibility of raising through voluntary contributions the funds that make possible the exchange fellowships provided by the program. Under this program, a considerable number of well educated and influential young people from many nations have had the privilege of pursuing advanced studies in various

U. S. institutions while at the same time an equal number of well qualified U. S. citizens have had the privilege of pursuing studies in the home countries of these foreign students.

**John B. English** of Chicago, who was recently promoted to Great Lakes regional manager of the Springfield-Monarch companies, and Mrs. Macie Scherling of Cincinnati were married at Highland Park, Ill. Mrs. English is executive vice-president of the Isle of Capri restaurant at Southgate, Ky., and owner and developer of Macerama, a new housing development in Cold Springs, Ky.

**Eric A. Johnston**, a director of Massachusetts Mutual Life and president of the Motion Picture Assn. of America, has received the Grand Service Cross of the Order of Merit of the Federal Republic of Germany, West Germany's highest award. It was presented by Lord Mayor Willy Brandt of Berlin at a ceremony in Berlin City Hall. The citation stated that Mr. Johnston performed "especially meritorious services on behalf of the Federal Republic of Germany" and that he made an outstanding contribution to better relations between the Federal Republic and the United States and to the cause of peace throughout the world.

## Deaths

**GERALD A. L'ESTRANGE**, 64, vice-president at Los Angeles of Universe Life of Carson City, Nev., died. In his 39-year insurance career, Mr. L'Estrange was best known during his days as vice-president and agency director of Wisconsin National. He entered insurance in 1920 as an A&H claim adjuster. He was with the Old Abraham Lincoln Life for a number of years and later was with Washington National before going with Wisconsin National in 1936. Later Mr. L'Estrange was with Capitol Life of Denver and United American Life of Denver before he went with Universe Life, an affiliate of Illinois Commercial Men's Assn.

Mr. L'Estrange was widely known in both the A&S and life fields as a member of committees of American Life Convention, LIAMA, Insurance

Economics Society and the old H&A Underwriters Conference.

**JOHN L. GILLSTRAP**, 54, Chicago manager for Occidental Life of California, died there in Henrotin Hospital. A native Iowan, upon graduation from Drake University in 1926 he joined the Iowa insurance department as an examiner, becoming chief examiner in 1931, a post he resigned in 1934 to become agency secretary for Guaranty Life of Davenport. When Occidental acquired Guaranty in 1937, he was appointed division manager in the midwest.

Mr. Gillstrap was named manager of Occidental at Minneapolis in 1940. He is going to Chicago as manager in 1954 following naval service. Active in insurance organizations, he had served as a director of Chicago Assn. of Life Underwriters.

**DR. NORMAN B. COLE**, 73, medical director, secretary and a director of Baltimore Life, died at Nantucket, Mass., after a brief illness. A graduate of Harvard medical school, he entered private practice in 1920. He joined Baltimore Life in 1943 as associate medical director, becoming medical director and secretary in 1948. Dr. Cole wrote books on blood pressure and rheumatism and was author of the official Boy Scout pamphlet for the first aid merit badge. He served also as medical director for two world Boy Scout jamborees. In 1955, he was chairman of the medical section of the American Life Convention.

**ROBERT E. WHITE**, 47, general agent for Bankers National Life of Bloomfield, N. J., died at Mount Sinai Hospital, at Montclair, N. J. after long illness. He became a general agent for Bankers National in 1949 after having been with the company years.

**CHARLES D. HIGH**, 41, agent of Cincinnati for Penn Mutual, was killed last week while driving to his office. His automobile ran off Madison Road and collided with a lamp post. Mr. High joined Penn Mutual in 1940. Later he took over the operation of the Donald G. High & Son general insurance agency on the death of his father. He retained his Penn Mutual connection and won a number of life insurance production awards.

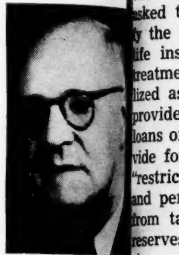
**JOHN R. BUHR**, 55, district manager at St. Louis of Metropolitan Life, died there of a heart ailment. He was a past president of Manager's Assn. of Metropolitan Life, St. Louis Life Underwriters Assn. and St. Louis General Agents & Managers Assn.

**JOHN E. MILLET**, 52, vice-president and cashier of Louisiana Life, died at Veterans Administration Hospital in New Orleans.

**JOHN DANA EDMISTON**, 15, son of Henry H. Edmiston, vice-president and group manager of Kansas City Life, died as a result of an automobile accident. He was thrown onto an asphalt drive while in an open sports car in which he was



John L. Gillstrap



Dr. Norman B. Cole



G. A. L'Estrange

## THE NATIONAL UNDERWRITER

The National Weekly Newspaper  
of Life and A&S Insurance

### EDITORIAL OFFICE

17 John St., New York 38, N. Y.  
Tel. BBekman 3-3958 TWX NY 1-3080  
Robert B. Mitchell, Executive Editor  
William Macfarlane, Assistant Editor

### CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. WAbash 2-2704 TWX CG 654  
John C. Burridge, Associate Editor  
Richard G. Ebel, William H. Faltyssek and  
R. R. Cusaden, Assistant Editors  
Marjorie Freed (production) and  
Barbara Swisher, Editorial Assistants

**SUBSCRIPTIONS:** 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. **CHANGE OF ADDRESS:** Enclose mailing wrapper and form 3579 with new address, and allow three weeks for completion of the change.



### OFFICERS

John Z. Herschede, President  
Louis H. Martin, Vice-President  
Kenneth O. Force, Vice-President  
H. P. Gravengaard, Vice-President  
Robert B. Mitchell, Vice-President  
George C. Roeding, Vice-President  
James C. O'Connor, Secretary  
Joseph T. Maloney, Treasurer

### ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. WAbash 2-2704 TWX CG 654  
Raymond J. O'Brien, Advertising Manager

### BUSINESS OFFICE

420 E. Fourth St., Cincinnati 2, Ohio  
Charles P. Woods, Sales Director  
**REGIONAL SALES MANAGERS**

Fred Baker, Atlanta  
Paul Blesi, Cleveland  
Alfred E. Cadis, Dallas  
David Chapman, Des Moines  
J. T. Curtin, New York  
Dana L. Davis, Boston  
James E. McSurely Jr., Denver  
William J. Gessing, Detroit  
Clarence W. Hammel, New York  
Roy H. Lang, Boston  
Howard J. Meyer, Minneapolis  
Raymond W. Rieke Jr., Los Angeles  
William D. O'Connell, Chicago  
George C. Roeding, Cincinnati  
A. J. Wheeler, Chicago  
Robert J. Wiegand, Chicago  
George E. Wohlgenuth, St. Louis  
Robert I. Zoll, Philadelphia



passenger overturned in the driveway of the Mission Hills Country Club. Death was instantaneous. The 16-year-old driver and two other passengers, 14 and 16 respectively, escaped serious injury. The latter, James Smith and Jack Smith, are sons of M. R. Smith, Kansas City Life agent at Kansas City. The boys had been playing tennis at the club.

## ALC-LIA Ask Finance Committee To Clarify Keogh Ambiguities

WASHINGTON—Endorsing the general principles behind the House-approved Keogh individual retirement bill, American Life Convention and the Life Insurance Assn. have suggested seven amendments to the Senate finance committee.

Chief among these recommended amendments are one to include contracts issued by non-domestic life insurance companies and another to end doubt as to the inclusion of certain group annuities and group permanent Assn. of Life coverage.

### Asked To Clarify Treatment

In addition to these two recommendations, the insurance associations asked the Senate committee to clarify the treatment of amounts paid for life insurance protection, clarify the treatment of pre-existing policies utilized as restricted retirement policies, provide for the assignment for policy loans of these retirement policies, provide for the removal of policies from "restricted retirement policy" status, and permit life companies to exclude from taxable income that income on reserves held for such retirement policies.

The bill, as passed by the House on March 16, contains major recommendations urged by the insurance associations over a period of years. Although the Senate finance committee has completed its hearings on the bill, the committee report is not expected to be completed soon enough to assure action by this session of Congress. However, the bill will remain as pending business in the next session beginning in January.

## Peoples Of Washington Moves To New Home Office

Peoples Life of Washington has moved into its new home office building at 601 New Hampshire Avenue. The Georgia marble building has 115,000 square feet of working space for 250 home office employees.

Company officers plan dedication of the building in the early fall. It is described as a "modern version of a federal style," to harmonize with federal government buildings in the capital.

In connection with completion of the building, 235 Peoples Life sales leaders held a double celebration in Washington, which also commemorated the attainment of \$73 million in ordinary sales in the year ending June 30. Speaker at the annual banquet at the Statler Hotel was President William T. Leith.

## Bikoff Drive Nets \$2,191,350

NEW YORK—The Bikoff agency of Aetna Life in its one-month summer campaign wrote 138 cases for total premiums of \$28,833 representing \$2,191,350 of ordinary business plus A&S and group premiums. The accomplishment was celebrated at an agency dinner. The agency now ranks 12th for the year among Aetna's general agencies.

# Conventions

Aug. 31-Sept. 2, International Federation of Commercial Travelers Insurance Organizations, annual, Broadmoor Hotel, Colorado Springs.

Sept. 1-4, National Insurance Assn., annual, Sherman Hotel, Chicago.

Sept. 11-12, Southwest Management Conference, Statler Hotel, Dallas.

Sept. 20-23, National Fraternal Congress of America, annual Sheraton Hotel, Philadelphia.

Sept. 20-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.

Sept. 21, Fraternal Actuarial Assn., annual, Sheraton Hotel, Philadelphia.

Sept. 27-30, International Claim Assn., annual, Americana Hotel, Miami Beach.

Sept. 28-30, Life Office Management Assn., annual, Edgewater Beach Hotel, Chicago.

Oct. 12-13, Conference of Actuaries in Public Practice, annual, Drake Hotel, Chicago.

Oct. 12-16, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Oct. 26-28, Life Advertisers Assn., annual, Drake Hotel, Chicago.

Oct. 28-30, Institute of Home Office Underwriters, annual, Statler Hotel, St. Louis.

Oct. 29-31, Mid-West Management Conference, annual, French Lick Springs Hotel, French Lick, Ind.

Nov. 9-11, Society of Actuaries, annual, Greenbrier, White Sulphur Springs, W. Va.

Nov. 9-13, LIAMA, annual, Queen Elizabeth Hotel, Montreal.

Nov. 12-13, New York Life Underwriters Assn., fall delegate meeting, Sheraton Inn, Binghamton.

Nov. 16-18, Health Insurance Assn., individual insurance forum, Biltmore Hotel, New York.

Dec. 8, Institute of Life Insurance, annual, Waldorf-Astoria Hotel, New York.

Dec. 9-10, Life Insurance Assn. of America, annual, Waldorf-Astoria, New York.

Dec. 27-30, American Assn. of University Teachers of Insurance, annual, Washington Hotel, Washington, D. C.

## Internal Revenue Service Releases Proposed Rules For New Income Tax Law

Proposed temporary rules relating to accounting methods, charitable deductions, etc., under subchapter L of Chapter 1 of the internal revenue code of 1954, as amended by the life insurance company income tax act, have been published by Internal Revenue Service in the Federal Register.

A public hearing on the proposed regulations will be held Sept. 3 at 10 a.m. in room 3313 of the Internal Revenue Building, Washington.

## Will Hold N. J. Rose Show In Colonial's Home Office

The fifth annual rose show sponsored by North New Jersey Rose Society, an affiliate of American Rose Society, will be held at Colonial Life's home office building in East Orange, Sept. 19. More than 2,000 people attended last year's exhibit at the Colonial Life building.

Richard D. Nelson, Colonial's executive vice-president, is representing the company in handling arrangements with the show committee, and Mrs. Nelson will officiate at the ribbon-cutting show opening ceremony.

## Texas GAs Hear Views On Industry Developments

Recent developments in the life business were commented on by Maurice Carlson, president of Reliance L&A., at the August meeting of Tyler (Tex.) General Agents & Managers Club.

Mr. Carlson denounced the life company income tax act of 1959, and also the one-stop, across-the-board service concept as being fundamentally unsound inasmuch as it would produce "jacks of all trades and masters of none." He was also critical of the Supreme Court decision making variable annuity operations subject to Securities & Exchange Commission regulation. He said he hoped "variable annuity advocates will think long and hard before placing the entire life insurance industry in further jeopardy by continued advocacy of the variable annuity principle in association with life company operations."

Curities & Exchange Commission regulation. He said he hoped "variable annuity advocates will think long and hard before placing the entire life insurance industry in further jeopardy by continued advocacy of the variable annuity principle in association with life company operations."

Cut rate, cheaper-by-the-dozen policies are on the wane, he declared, and the family policy is losing its popularity with professional agents, who are reluctant to sell the "easy package" when they should be selling individually-tailored family protection. With rising costs and higher taxes, improved interest earnings mean little to companies in the way of increased profits, and interest rates on long-term life company investments must continue to advance adequately to keep the companies ahead of the inevitable shrinkage of the dollar.

Mr. Carlson praised the present insurance regulation by the Texas department as comparing favorably with other states. He also lauded the House ways and means committee for not reporting out the Forand bill.

# Stocks

By H. W. Cornelius of Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, August 25, 1959

	Bid	Asked
Aetna Life	251	255
Beneficial Standard	17	18
Business Men's Assurance	41	42½
Cal.-Western States	114	118
Commonwealth Life	27½	28½
Connecticut General	374	379
Continental Assurance	150	154
Franklin Life	79	81
Great Southern Life	85	88
Gulf Life	23½	24½
Jefferson Standard	95¾	97½
Kansas City Life	1470	1500
Liberty National Life	65	67
Life & Casualty	22½	23½
Life of Virginia	52	54
Lincoln National Life	238	243
National L. & A.	110½	112½
North American, Ill.	16	17
Nw. National Life	100	106
Ohio State Life	270	285
Old Line Life	64	66
Republic National Life	77	80
Southland Life	104	109
Southwestern Life	146	152
Travelers	94	96
United, Ill.	46	48
U. S. Life	43½	45
Washington National	61	65
Wisconsin National Life	44	46

He's on the  
RIGHT ROAD  
with  
Equitable Life  
of Iowa's

## SALES KITS



Among many sales aids provided by the Equitable Life of Iowa are these Sales Kits covering four major needs. Each has been field-tested and proved for its effectiveness. The field associate who really uses these Sales Kits is a long way on the Right Road to success as a Career Life Underwriter.



**Equitable**  
LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

## Life Agents' Advantages In Incorporating

(CONTINUED FROM PAGE 1)

between "X" and his Corporation Y. The tax results following from this action are as follows:

Sole proprietorship:	Tax due
"X" at applicable rates.....	\$20,300
<b>Incorporation</b>	
Corporation Y (\$25,000 at 30%).....	\$7,500
"X" (\$25,000 at applicable rates.....	\$7,230
<b>Total tax due.....</b>	<b>\$14,730</b>
<b>Federal income tax savings.....</b>	<b>\$5,570</b>

This is a substantial and annual tax savings. If an individual earns less than \$50,000, the tax savings naturally decrease but are none the less substantial and proportionate to the income earned. For example, if our hypothetical agent "X" has a net income of \$30,000 and incorporates his agency, dividing the income between the two entities, there would be an income tax savings of \$1,340 computed in the following manner:

Sole proprietorship	Tax due
"X" (\$30,000 taxable income at applicable rates.....	\$9,460
<b>Incorporation</b>	
"X" (\$15,000 at applicable rates).....	\$3,620
Corporation Y (\$15,000 at 30%).....	\$4,500
<b>Total tax due.....</b>	<b>\$8,120</b>
<b>Federal income tax savings.....</b>	<b>\$1,340</b>

The government has been cognizant of these arithmetical differences, and the resultant tax savings, in incorporating all or a portion of one's income capacities. As a result, highly technical and detailed provisions of the internal revenue code (known as the "personal holding company law") impose severe tax penalties if an indi-

vidual "incorporates his own pocket-book." That is, if a closely held corporation receives primarily dividend, royalty, interest, etc., income, and does not distribute same, the law provides for a tax of 75% on the first \$2,000 of taxable income and 85% on the taxable income over \$2,000. In addition the internal revenue code has imposed similar penalties on corporations whose principal source of income has been the contractual services of one or more individuals. The cloud of these sections of the internal revenue code has always hovered over a service type business, with an insurance agency being one major illustration of a service type business.

### No Need For Detail

It is not necessary, at this juncture, to analyze in detail to what extent this new revenue ruling allows insurance agents to "incorporate their pocket-book." It is sufficient to state that under most situations an insurance agent can now incorporate his business without any fear of it being classified as a "personal holding company," with the concomitant tax disadvantages. Needless to say, the cited ruling and local law must be carefully examined prior to any change in the form of one's business, since there are certain factual patterns that might still fall under the personal holding company law.

This new ruling does illustrate and emphasize the need, and indeed mandatory requirement, that all business ventures should re-analyze their existing structures, periodically, and particularly when new law or interpretations are promulgated that allow for

new and substantial areas of tax savings.

Frequently an interest in tax savings becomes all consuming and many other factors for and against a particular course of action are not given sufficient consideration. For example, there are many advantages inherent in incorporating one's agency even if one's income does not reach the more lofty figures of \$30,000 to \$50,000. There are further important advantages such as possible estate tax savings, personal life insurance programs being made available and the entire area of fringe benefits opened to an incorporated agency and which are usually not to an individual agent.

The government has placed corporate officer-stockholders in a favored position, when compared with active ownership in other taxable entities, in the area of fringe benefits. It should be borne in mind that an insurance man can have such fringe benefits as group insurance, health and accident plans, retirement programs, etc. available for himself in the same manner as his insured, under certain forms of agency operations.

### More Non-Tax Benefits

There are additional non-tax benefits in incorporating one's agency. Some of these are insulation from tort liability, ability to perpetuate one's business, ability to attract capable employees through the vehicle of fringe benefits, and many other prestige factors involved in carrying on the business of selling life insurance in the corporate form.

It is true that a corporate vehicle has some disadvantages; in that it does not fulfill the need or requirement of every business. All the facts, both positive and negative, must be carefully examined prior to forming a corporation. However it is clear that under certain circumstances insurance men are basically "missing the boat" in not directing their attention to the advantages that the tax law as well as the business community has presented to them.

## Ready ALC Program For Annual Rally

Basic plans for American Life Convention's annual meeting, to be held at the Edgewater Beach Hotel, Chicago, Oct. 12-16, have been completed. The meeting will follow the traditional ALC pattern. Rolland E. Irish, president Union Mutual Life and ALC president, is chairman of the program committee.

One of the speakers announced for the general sessions is Commissioner Hammel of Nevada, National Assn. of Insurance Commissioners president. Mr. Irish will preside over the general sessions and executive session and remain in office until the conclusion of the five-day rally, when the new officer slate takes over.

The separate program of the Legal Agency, Combination Companies and Financial Sections are also past the formative stage. The Sections meet during the ALC annual gathering. Section chairmen are: Legal—H. Harold Leavey, vice-president, general counsel and secretary California-Western States Life; Agency—A. E. Wall, vice president in charge of agencies Confederation Life; Combination Companies—Glen J. Spahn, 2nd vice-president Metropolitan Life; Financial—Perry S. Bower, vice-president and treasurer Great-West Life.

General sessions will be held the morning of October 14 and all day the 15th. The Legal Section will meet the afternoon of October 12 and all the next day. The Agency Section meets all day the 13th; Combination Companies holds its meeting at a luncheon October 14, and the Financial Section meets all day October 16. The ALC executive session is scheduled for the afternoon of October 14.

Attendance is expected to near the all-time high of last year, which was about 1,200.

## Georgia International Life Starts With \$7,492,500

Georgia International Life is beginning business with \$7,492,500 of paid in capital and surplus. The money was turned over last week to G. Albert Lawton, president, by the managing underwriters of the stock sale. The participating underwriters sold 1,663,000 shares at \$5 within 24 hours. This is believed to be the largest amount of capital ever raised by a public stock issue to start a new life company.

Johnson, Lane, Space Corp. and Robinson-Humphrey Co., both of Atlanta, were managing underwriters. First National Bank of Atlanta is transfer agent and Citizens & Southern National Bank of Atlanta is registrar.

Georgia International Life was licensed July 1 in Georgia and has licenses pending in several neighboring states.

Southwestern Life issued \$148,519,726 of new life during the first six months.

## Service Guide

### ACTUARIAL COMPUTING SERVICE, INC.

1389 Peachtree Street, N.E., Atlanta 8, Georgia. P.O. Box 6192. Telephone TRinity 5-6727.

## ACTUARIES

B

**Alvin Borchardt & Company**  
CONSULTING ACTUARIES  
= AND =  
INSURANCE ACCOUNTANTS  
Detroit Atlanta

**Haight, Davis & Haight, Inc.**

Consulting Actuaries  
Insurance—Pensions

2801 North Meridian St. 5002 Dodge St.  
Indianapolis 8, Ind. Omaha 32, Neb.

**E. P. HIGGINS & CO.**

(Frank M. Speakman Associates)

Consulting Actuaries Bourse Building  
Accountants Phila. 6, Penna.

**BOWLES, ANDREWS & TOWNE, Inc.**  
ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE—FIRE—CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND DALLAS MIAMI

**RINTYE, STRIBLING & ASSOCIATES**

Consulting Actuaries—Insurance Accountants  
Pension Consultants

William-Oliver Bldg. Atlanta  
Jackson 3-7771

**COATES, HERFURTH & ENGLAND**

CONSULTING ACTUARIES  
San Francisco Denver Los Angeles

**Irwin Solomon & Co.**

Consulting Actuaries  
Management Consultants  
342 Madison Avenue  
New York 17, N. Y.

**CHASE CONOVER & CO.**  
Consulting Actuaries  
and  
Insurance Accountants  
332 S. Michigan Ave. Chicago 4, Ill.  
Telephone WAbash 2-3575

**HARRY S. TRESSEL & ASSOCIATES**

Consulting Actuaries  
Insurance—Pensions  
10 South La Salle Street  
Chicago 3, Illinois  
FRanklin 2-4020

## Woodmen Of Omaha Aids Members With Lung Cancer

Financial assistance to members who develop lung cancer is being made available by Woodmen of the World, Omaha, along with more liberal aid for members who become victims of flood, tornado and other disasters. As much as \$1,000 may be paid on behalf of any member of one year or longer who develops lung cancer, and the maximum aid to disaster victims has been raised from \$30 over a 3-month period to \$100 over a 12-month period. The assistance programs are free and are not part of an insurance policy.

## Blue Cross Up In Fla.

Commissioner Larson of Florida has granted Blue Cross an average rate increase of 15.6% instead of the 20.7% rise requested. The changes will be effective on group policies renewed after Oct. 1 and on non-group policies renewed after Jan. 1, 1960.

## Southern Provident Life Has Excellent First Six Months

Southern Provident Life's assets during the first six months rose 13% to reach a company high of \$1,233,730. During the same period, a net gain of more than \$2 million in life in force was recorded, pushing the total past \$40 million.

Tells  
too man  
Despite  
we don't  
which in  
Further  
sense of  
hope for  
fidence  
is she  
state of  
Are w  
a bit. W  
product  
pleases u  
Distrust  
We wi  
sented in  
and view  
vincial s  
gimmicks  
the sligh  
are a str  
So it is in  
us throug  
connected  
company  
trusted in  
As an  
to us rel  
preferabl  
company  
booklets  
local PT  
about ins  
factual, s  
our langu  
sensitive.  
dubious a  
High Prio  
Since s  
in our sch  
from 10  
have an c  
investment  
We wa  
of the co  
concerned  
But we c  
How, ther  
ance to us  
easy?  
Don't a  
would do  
I'm apt  
but I wor  
would you  
several y  
week? Si  
happen, I  
and once  
can talk ab  
Don't as  
pect to sa  
we are sa  
we saved  
We have  
conscious.  
ceeds are  
taxes; tha  
come taxe  
most statu  
We wou  
all states  
icy proce  
sured's cr  
sured's lif  
also prote  
in bankrupt  
"Pastel-Co  
Inflation  
"pastel-col  
we unders  
talk about  
paper.  
Give us  
about infl  
insurance  
investment  
good answe



# Tells How To Sell 'Pastel-Collar Worker'

(CONTINUED FROM PAGE 2)

too many alternatives or ambiguities. Despite our relatively good income, we don't consider it above average—which indeed it is.

Further, my wife has a strong sense of money deprivation, little hope for better days, and slight confidence in my earning potential. Nor is she optimistic about the general state of the economy.

Are we poor prospects? Let's probe a bit. We are vulnerable to the right product if the salesman's approach pleases us.

## Distrust Fast Talkers

We will listen if your story is presented in terms that fit into our needs and view of the world. We are provincial shoppers, distrust fast talkers, gimmicks, fancy presentations, and the slightest tinge of pressure. If you are a stranger we are on our guard. So it is important that you either meet us through friends or relatives, or are connected with a solidly established company, that is well-known and trusted in our neighborhood.

As an agent you do well to come to us referred by a trusted friend—preferably by several. Show us your company ads. Follow up on the career booklets we have received from our local PTA or church club. Tell us about insurance in plain language. Be factual, scrupulously honest and talk our language. Don't talk down—we're sensitive. Don't talk up either—we're dubious and suspicious of novelty.

## High Priority For Savings

Since savings have a high priority in our scheme of things, we set aside from 10 to 13% of our income, and have an open mind for a conservative investment.

We want to know the guarantees of the contract if I live. My wife is concerned about her lot when I die. But we don't like to talk about it. How, then, can you explain life insurance to us without making us feel uneasy?

Don't ask me what my family would do were I to die next week.

I'm apt to freeze at the possibility, but I won't mind your asking 'What would your family live on for the next several years if you had died last week?' Since that obviously didn't happen, I won't mind talking about it and once comfortable in the subject we can talk about next week too.

Don't ask how much money we expect to save next year, but whether we are satisfied and happy with what we saved last year.

We have recently become more tax-conscious. Tell us life insurance proceeds are exempt from federal income taxes; that they are exempt from income taxes and inheritance taxes in most states.

We would like to hear that nearly all states have laws that protect policy proceeds from claims by the insured's creditors, that during the insured's lifetime the cash values are also protected from claims of creditors in bankruptcy or attachment.

## "Pastel-Collar Market"

Inflation concerns us, the new "pastel-collar" market. Not because we understand it but because we hear talk about it and read about it in the paper.

Give us frank and open answers about inflation. When we ask if life insurance in times like these is a good investment, we want and deserve a good answer.

It's true that there are strong inflationary forces today, but a very recent report of "Social Research Inc." revealed that even after correction for inflation, since 1940 there has been an increase of over 60% in real wages in the group we are discussing.

## How Life Insurance Compares

So how does life insurance compare with other investments both from a long-range or short viewpoint?

Take for example a man of 35. If a year ago he had taken out a whole life policy and died last week (and you can point out how often this happens), his family would receive 40 times the money he had invested. If he died in the second year it would get 21 times the amount invested; in the fifth year, nine times; in the 19th year, five times. These are guaranteed. I doubt even if a skeptical wife could possibly condemn an investment with that kind of return.

Point out that by actual count—of all death claims paid by New York Life last year (1958), the policyholders insured under those policies had, through the payment of premiums, invested only 67% of the amount paid in claims. This fact certainly rocks the short-range inflation bug-a-boo to the very foundations.

## Inflation's Long Range Problems

Now, what about the long-range problem of inflation?

History furnishes ammunition here. A chart showing wholesale prices over the past 150 years looks like a mountain range—a series of peaks and valleys representing successive periods of inflation and deflation.

In this last 150 years there have been only four pronounced peaks—each following a war, the War of 1812, the War between the States, World War I, World War II and its aftermaths, the Korean conflict and cold war.

How can we be certain that the future will not follow the past, that the inflationary peak of today will not be followed by a deflationary valley tomorrow?

## Buy Term, Invest Difference?

Now here's an answer to another question that the "pastel-collar" worker may pose: "Should I buy term insurance and invest the difference?"

Explain how a level premium on a permanent life insurance plan works. Point out that the alternative term insurance would be low while we are young and prohibitively high when we are older.

Explain the investment aspect of life insurance. I will want to know at what rate I would have to invest this difference to have it equal exactly the amount at age 65 that I would have if I had invested in a whole life, cash-value policy.

Another benefit we would like to hear about is the wide choice of settlement options available under the life policy. We would be interested that they include annuities which provide definite incomes at guaranteed rates for a fixed number of years or for life.

Emphasize that it takes about 2½ times as much money in funds other than annuities to produce the same amount of income.

The working man is well aware that with a separate investment plan it is all too easy to yield to temptation and omit payments now and then. He will be interested to learn, that should

he, as the breadwinner, become totally disabled, New York Life will continue his premium payments for him, if he has the waiver of premium benefit.

## A Profitable Clientele

What is the future of this large, new, "pastel-collar" market? Can its members who become policyholders grow and develop into a profitable clientele?

Yes!

Many will go into business for themselves.

Many will go to college, get into professions. With our new guaranteed insurability option—which makes it advantageous to continue as a New York Life client—an agent has a built-in provision for future business.

These people, for the most part, work in business organizations that need group, EPP, and pension trust. Their employers are prime targets for sole proprietor, stock purchase and retirement plans and other business insurance needs.

Above all if we do our job as agents right, in this group, they will appreciate our help, refer us to their friends and relatives—members also of this fine, fast-growing segment of our population that is upgrading itself into a preferred group for our matchless product.

## Receiver-Enjoinment Suit Filed Against Fraternals

SALEM, ORE.—Attorney General Robert Y. Thornton has filed suit in Marion County circuit court against 11 benevolent organizations for appointment of receivers to take over the companies and enjoin the officers from further solicitation of membership and from drawing salaries.

The organizations were divided into three groups with a case filed against each group. The first includes Benevolent Order of Countrymen, Countrymen Society, Independent Countrymen and American Countrymen.

The second includes Oregon Benevolent Society, Western Benefit Society, Western Mutual Benefit Assn. and Western States Services. The final group includes Benevolent Order of America, United American and Pioneer Pacific.

The suits charge the defendants with

offering an insurance plan to the public without regard to age or physical condition and specializing in solicitation of the aged, infirm, or otherwise uninsurable persons outside of government supervision or sound insurance practice. The organizations also are charged with abusing their corporate franchises, failing to qualify under any Oregon laws for the issuance of insurance policies on life, health or accidents to individuals.

Further charge is made that while purporting in the conduct of their business to operate as fraternal benefit societies, multiple corporations have been formed with interlocking officials and with stock issuing schemes to evade the insurance laws of the state. Three weeks ago the Multnomah County grand jury gave the companies a clean bill of health, which climaxed a three-week inquiry during which some 30 witnesses testified.

Multnomah County district attorney's office was asked to conduct the grand jury study by C. Dean Musser, Oregon insurance commissioner. Dissatisfied with the grand jury determination Mr. Musser turned the case over to the attorney general. The commissioner sought action, as he believed the companies lacked state control over their financial activities. In its report the grand jury called attention to this lack of control and urged the enactment of legislation placing the societies under state supervision.

## American National Gains 47% In Force In First Half

American National had record gains during the first half of 1959. Insurance in force rose to \$216,302,623, up 47%; new paid sales were \$550,975,524, up 27%. Insurance in force reached \$4,727,189,051. The company also established 45 new ordinary agencies, 20 industrial and 29 A&S, the expansion rate being double that for previous years.

## Missouri Agents' Annual Oct. 22

Missouri Assn. of Life Underwriters will hold its annual meeting and sales congress Oct. 22 at the Hotel Chase in St. Louis. So as not to interfere with the meeting, no other life organization meetings are scheduled in the state for October.



Loans are available for you on your renewal commissions—for additional working capital, for business expansion, for personal use. Prompt, efficient, confidential service, from the outstanding organization specializing in direct loans to life insurance underwriters.

## Life Underwriters Service Corporation

Mail this  
Coupon  
today

Life Underwriters Service Corp.  
Security Bldg., Denver 2, Colo.

I am interested in your service. Please send further information, at no obligation to me.

☐ Agent  
☐ Gen. Agt.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

## U. S. Treasurer, Palmer To Address NALU

(CONTINUED FROM PAGE 1)

the state of the life insurance business and of state supervision of insurance.

Other convention events recently announced include the following:

1. A "meet the NALU staff" presentation will be a feature of the Association Workshop, Wednesday, Sept. 23. Members of the NALU, GAMC and LUTC headquarters staffs will discuss various facets of association work and answer questions from the floor. It will precede the Wednesday afternoon "briefing session" for all national, state and local leaders of NALU's fund-raising campaign to provide money for the new headquarters building.

2. A conference of executive secretaries of the state and local associa-

tions will take place Saturday, Sept. 19. To date, 32 of them have accepted NALU's invitation to participate. The chairman will be John Mathis, managing director of the Texas state association. Working with him will be Jack White, Prudential, Los Angeles, chairman of the NALU committee on associations, and Ann Bickerton, NALU's director of field services.

### Agenda Subjects Given

On the agenda are such subjects as communications, community service, meetings, attendance, programs, legislation and financial planning. The executive secretaries will be NALU's guests at luncheon and dinner Sept. 19, and will be honored at a reception and

dinner by the Life Underwriter Training Council Monday evening, Sept. 21.

3. Convention attendees will join in a gala salute to the 50th state Wednesday evening, Sept. 23. The host, the Philadelphia association, will sponsor a Hawaiian luau party for those attending and their families at the Bellevue-Stratford. This will be marked by original Hawaiian decorations and flowers, typical tropical foods and liquid refreshments, and traditional South Seas music and dancing. Dress will be informal—preferably in the South Seas mode, and admission will be by special tags that will be distributed to all convention registrants.

### Pa. Bill Would Permit Insurance Companies To Invest In Business Development Corporation Shares

HARRISBURG—A bill to permit insurance companies to invest in business development corporation shares in Pennsylvania has been introduced in the senate. The measure, sponsored by Sen. William J. Lane of Washington, Pa. and others, would allow investment in shares of state and regional business development corporations formed under state law. The bill was referred to the senate committee on state government.

### SEC Gives Clearance For Stock Sale To Appalachian National Life

Securities & Exchange Commission has given clearance to the registration statement of Appalachian National Life, thus clearing the way for sale of 806,667 shares of stock at \$3 per share in the recently formed Knoxville company.

Appalachian National was sponsored by the Knoxville Chamber of Commerce's industrial committee of 100, the industrial and business development arm of the chamber.

### Crown National Life, Ind., Acquires United Security L. & A.

Crown National Life of Indiana has acquired United Security Life & Accident of Kentucky. United Security was organized by 63 agents who had planned on operating the company themselves.

### Reaches \$250 Million In Force Mark

Midwestern United Life agents paid for \$10,106,215 of new business in July, which brought the total in force figure to more than \$250 million. This was just prior to the company's 11th anniversary Aug. 5.

### Crown Life Writings Up In U. S.

New business written in July by Crown Life in the U.S. amounted to \$12,956,000, an increase of 33% over the same period last year. The average base policy, excluding term riders, was \$17,592 compared to \$8,401 in 1958.

### To Address St. Louis Agents

Attorney General John M. Dalton of Missouri will speak at the annual kick-off breakfast Sept. 9 of St. Louis Life Underwriters Assn. at the Chase Hotel.

Forty Franklin Life agents in the midwest attended a sales training school at Starved Rock Lodge, Ill.

### SECRETARY WANTED

We have an excellent opportunity for girl with strong insurance background. Experience in life insurance, group insurance or pensions is essential.

Write Ren Stever and Company  
411 West Fifth Street  
Los Angeles 13, California

## Gives Views On Agent's Liability For Fraud, Deceit

In view of the Knox-Anderson case, now on appeal, in which a policyholder recovered a large award on his allegation that the agent had misled him in the sale of a bank-loan case, there is particular interest in some conclusions drawn by Allen M. Steele, general counsel of Life & Casualty, in a paper presented at the spring meeting of Assn. of Life Insurance Counsel.

After reviewing the entire field of the agent's legal duties and liabilities, Mr. Steele said that with respect to liability of the life agent for false representations the following general conclusions can be drawn:

### Four Conclusions Listed

1. An action in fraud and deceit may be sustained against the life agent if he makes material fraudulent false representations relied upon by the insured with reference to the policy. False representations will be fraudulent if they are knowingly false, or recklessly made without regard to truth or falsity, or even if not knowingly false or recklessly made, if they are made under circumstances imposing a duty to know the truth.

2. Where the representations deal with matters connected with a policy in which the agent has or should have a superior knowledge, as for example, income or estate tax results flowing from the purchase of the policy or the payment of premiums thereon, the action will almost invariably lie. Probably a majority of the more recent cases fall in this category.

### Intelligence A Factor

3. Where the false representations are made to a person who does not have the intelligence or education to readily determine the true facts from a reading of the application or policy, the action in fraud and deceit will almost always be sustained.

4. The cases in which false representations are established, but in which the legal action thereon is not sustained, are usually those where there should have been no reliance by the insured because the insured had the intelligence and education to readily determine the true facts by an examination of the application and policy, and the matters represented were not of a technical nature or a nature where special knowledge is required for the understanding thereof, and the insured is not induced to refrain from making such examination, or where there is reasonable delay in seeking relief after discovery of the facts.

### Push On To Beat High Cash Value Deadline

(CONTINUED FROM PAGE 1)  
sheets immediately, at all ages (\$500,000 retention).

"If you don't offer it, someone else may. Call us for figures.

"For those who can qualify, the lowest initial cost permanent life insurance ever written, is still available.

"You must act fast because the last-minute flood of business may force the companies to withdraw this contract prior to the Nov. 1 deadline in order to get all policies issued. \$25,000 minimum—\$500,000 maximum. Still available for a short time."

Massachusetts Indemnity & Life has been licensed in Oklahoma.

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.  
THE NATIONAL UNDERWRITER—LIFE EDITION

### EXCEPTIONAL OPPORTUNITY FOR SUCCESSFUL MANAGER OF LARGE GROUP OFFICE TO BECOME HOME OFFICE DIRECTOR GROUP SALES

Well established Group Department of eastern life insurance company operating in all states will consider man in late thirties with outstanding record as manager of large Group Office or Region. This is a challenging opportunity to manage the Group Sales organization of this well-known company. The best qualified men will be invited to Home Office for interviews.

Our people know about this opening which was created by promotions. Replies will be treated confidentially. Send detailed résumé to Box J-27, c/o The National Underwriter Company, 175 West Jackson Boulevard, Chicago 4, Illinois.

## INSURANCE COMPTROLLER

Old, established Chicago life and accident insurance company is seeking a man who has had experience as a Comptroller or Assistant Comptroller of a life insurance company. Applicant should be familiar with modern accounting systems and procedures and their application to machine processing. This position offers an opportunity to grow with an expanding operation. In reply, send résumé giving full details of education and past experience. All replies will be kept confidential.

Write Box J-39,  
c/o The National Underwriter Co.,  
175 W. Jackson Blvd.,  
Chicago 4, Illinois

### GROUP SALES REPRESENTATIVE

Excellent opportunity in Chicago for experienced group man to join Home Office sales staff of one of the leading group writing companies. Salary and expenses, Sales Incentive Program, liberal pension plan and other group benefits. Give full background. Your reply will be confidential. Our staff has been advised of this ad. Address Box J-29, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### CHIEF HOME OFFICE UNDERWRITER

Individual Life and Accident and Sickness. Two or more years experience. Plenty of room for personal progress in prominent Midwestern company. Reply Box J-26, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Wanted ACTUARIAL MAN

to aid in the operations and development of a relatively new and growing Actuarial program of a highly respected company in the A&H Insurance field in Chicago. A young man between 25 and 35 of draft-exempt status with training and/or experience in Actuarial work, and ambition, drive and thoroughness to contribute to and develop with the future growth of this program. All replies will be held confidential.

Contact—Mr. Hill  
Tele.: MOhawk 4-7100  
Chicago, Ill.

Or Write: Box H-80, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### EUROPEAN OPPORTUNITY

Pacific National Life Assurance Co., Home Office San Francisco, California, seeks a few high-calibre agents for expanding agency in Europe writing American military people. Top contracts with fringe benefits. Openings in Germany, England, France, Italy, Spain and North Africa. Wonderful income tax advantages for those remaining 18 months or longer. Financing available. For further details, send complete résumé and photograph in confidence to H. Smith Hagan, Sr. V. P., Pacific National Life Assurance Co., Head Operating office, 411 E. South Temple, Salt Lake City, Utah.

### REGIONAL MANAGER

Do you need a result getting Agency Builder and Resident Manager in central area of U. S.? Do you want a mature, experienced, dependable, capable, respected and successful man for the position? Write Box J-30, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.



## Arden Predicts Even More Drastic Curbs

(CONTINUED FROM PAGE 1)

it doesn't seem possible that the superintendent of insurance will permit his intent to be so easily circumvented," said Mr. Arden. "If nobody questions the department's statutory authority to employ the expense limitation law in this way, regulation 39 could well be merely the first in a series of increasingly drastic commission squeezes aimed at coming as close as possible to the complete elimination of every type of financed insurance sale."

### Lists Possible Moves

One such move, Mr. Arden observed, might be to apply the expense margin squeeze not merely when a loan is obtained from the insurance company against a newly purchased policy but from any other source as well. Also, the department might specify that in any illustration involving a lapse or surrender, a comparison of old and new insurance would have to include a comparison of all features, such as premium waiver incontestable clause, settlement options, and the like.

Another hobble might be a requirement that comparisons involving surrenders or lapses would have to be carried through from the present to the prospect's life expectancy. At most ages, such long range projections would be impossible to obtain from the losing company and virtually so from the issuing company. Large actuarial staffs maintained at tremendous cost would be needed to supply such figures in the volume that would be necessary.

### Agents Are Determined

Regulation 39 was issued only a few weeks ago, yet ways of circumventing its intent by avoiding the use of either high cash values or company loans have been worked out, Mr. Arden commented. This isn't surprising, he remarked, since so many agents have had a taste of the commissions that result from this type of sale and aren't going to give up without every possible struggle to hang on to what many have made their sole sales approach.

Here, for example, is one system that is being used. A man buys a \$100,000 policy with a premium of about \$3,600 a year. The agent arranges through a bank a personal loan for the buyer in the amount of the first year's premium, to be paid back in 12 monthly installments. If this looks like a back-breaking monthly outlay the repayment is spread over two years.

### Pays Second Annual Premium

When the second annual premium is due, there is usually enough cash value and dividend available to pay the full premium through a loan from the insurance company. In some companies and at certain ages there is even excess loan value available in the policy to take care of the second year's payments to the bank.

Another effect of regulation 39 is foreseen by J. Milton Edelstein, Connecticut Mutual, Chicago, chairman of the AALU legislative committee. Mr. Edelstein believes there will be a decided increase in the amount of term insurance being sold, particularly to men in the middle income market who are sold on the idea of investing the accumulation portion of their estates in equities rather than in life insurance cash values.

A man in this position has been a good prospect for the minimum depos-

it plan but under regulation 39's restrictions many of such prospects shy away from it because of the need for a larger first-year outlay than is needed under the usual minimum deposit plan, Mr. Edelstein pointed out. The term insurance policy is likely to look better for the short pull.

Mr. Arden believes there will be some beneficial effects from regulation 39, despite certain disturbing results. It will be helpful to the industry and to the buyer to know the year in which the dividend, under the fifth amendment option, will be insufficient to buy enough term insurance to maintain the policy at its original face amount for the ensuing year.

### Reaffirms Revelation Provisions

Another way in which the regulation should be helpful, he said, is in reaffirming the provision of the law calling for full revelation of information respecting existing and proposed insurance where a replacement is contemplated. The regulation puts the agent on notice that he had better be scrupulously careful in preparing an illustration involving a replacement proposal, or run the risk of being hauled up short by the department and perhaps made an example of.

"At the same time," said Mr. Arden, "the pressure for replacement due to new and highly attractive types of policies and due to the desire to get from old policies money to invest in equities is going to increase markedly. Yet the department is obviously in no position to do the policing job that needs to be done. We need a self-policing system, acting with the department's blessing and manned by men in the business whose function would be to screen complaints, investigate them and report to the department those that appear to warrant disciplinary action. This plan was advocated by Harry Gutmann, agent of Mutual of New York here in New York City, in his acceptance speech as president of the New York State Assn. of Life Underwriters, and the Assn. of Advanced Life Underwriters is fully in sympathy with it. The time to set up such a system is now."

## Comments On Dual Licensing For Funds

(CONTINUED FROM PAGE 2)

ly screened as any individual selling his services to the public today.

The rather thorough beating of the mutual fund and life insurance bushes has stirred up so much dust that some of us fail to see matters clearly. Perhaps my definitions and my insight of the situation are somewhat foggy also but, as I view it, life insurance's primary job is to provide funds to help wives, children, businesses and estates over some rather rough ground when an insured passes out of the picture. No other device has ever been thought up that does the job so quickly, so efficiently and at such comparatively little cost as the miracle of life insurance.

It is of course discouraging to think that the dollar paid out by the life insurance company upon the death of the insured may not have the purchasing power of the premium dollar paid in, but that is not the fault of the life insurance company. Regardless of the purchasing power of the benefit dollar, the estates of most insured persons welcome that dollar. Generally speaking, these dollars are rather quickly disbursed within a

few years after the insured's death.

An exception to this of course is where the beneficiaries receive the proceeds over a long period of years. Probably from this type of benefit originated the combination of life insurance protection and annuity payout marketed by practically all life insurance companies under various names. In all these cases the insured, annuitant or beneficiary is subject to a long time effect of inflation or deflation and here the fluctuation of the dollar can certainly cause widespread hardship. Some of us in the insurance business, although we lament the plight of the passenger railroad train, the legitimate theater, the motion pictures, etc., feel that there is nothing that we can do about the situation. By the same token, in our own business, we'd better dry our tears and offer the public what they want, how they want it, and when they want it.

### No Forcing Of Fund Sales

The Standard Life believes that its salesmen can do a better job of caring for the old age income and death benefit problems of the public by equipping its salesmen with the tools necessary to give a 1959 answer to those problems. The Standard Life does not make any requirements of any of our salesmen forcing them to sell advisers fund shares or the shares of any other mutual fund. By the same token, we think it would be as ridiculous on our part to issue such a ukase as is the case when gentlemen heading up large and important life insurance companies threaten to cancel the contracts of agents who enter into this field. It seems to me that such action makes the same forbidden fruit on the other side of the fence entirely too attractive.

For the same reason Standard Life has never forbidden any of its salesmen from ever selling the product of any other life insurance company and naturally that same idea would pervade our mutual fund activities within the limitation of the law. The Standard Life is not sending up any skyrocket in connection with the selling of mutual fund shares. If a salesman or his company does not wish to engage in this field, needless to say it is not within the province of the Standard Life to make any objection. On the other hand, the Standard Life feels that this new field represents a modern, up-to-date concept of the inherent responsibility of the life insurance salesman.

## Great Southern Club Has 189 Qualifiers

Responding to the challenge of the company's golden anniversary year, 189 representatives of Great Southern Life achieved personal production in excess of \$250,000 to qualify for membership in the Great Southern club.

Club members and their wives will attend the club's 50th anniversary meeting Sept. 7-14 in Coronado, Cal. Agency managers and a group of home office officials will also attend.

The combined total production of \$90,707,865 was amased during the twelve month period ending June 30. Of the group, 74 qualified with individual production in excess of \$500,000.

Eleven salesmen exceeded \$1 million: D. L. Myrick, Lake Charles, La.; Berne W. Wilkins, Phoenix; Perry W. Horine, Corpus Christi; Russell Glasser, Phoenix; John H. Fargason, Houston; Toney Mucci, Houston; Herbert Bollfrass, Houston; Walter Luchau, Oklahoma City; C. C. Jones Jr., Houston; Byron G. Dunn, Muskogee, Okla., and Samuel T. Ross, Beaumont, Tex.

## Texas Legal Reserve Officials Meet, Elect

(CONTINUED FROM PAGE 2)

accrual accounting method under the new law. He explained that a loss cannot be carried back from 1958 to any prior year, but that a carry-forward to 1958 is permitted after the prior year's income has been converted to conform to the new law.

Stanley Schoenbaum, San Antonio attorney, discussed guideposts to determining what are company assets and how to arrive at their value. "In the case of real property," he said, "It is implicit in the statutory definition that original cost less depreciation will not establish the value of an asset."

He also discussed the special provision for taxing capital gains at the rate of 25% on the excess of net long-term capital gain over net short term capital loss.

Everett R. Crilly of Lincoln National spoke on expenses and how they are to be taken into account under the new law.

Penn J. Jackson, Texas board chairman, and Paul A. Hammel, Nevada commissioner and president National Assn. of Insurance Commissioners, were the luncheon speakers.

### Emphasizes Progress

Mr. Jackson, in a talk on "The Young Company at Home," emphasized the "significant progress made by the Texas industry and state regulation in the past two years," as evidenced by the absence of insolvencies. "We do not anticipate any further insolvencies. We plan to catch them before they happen," he said.

Commissioner Hammel, speaking on "The Young Company Away from Home," gave step-by-step suggestions for companies wishing to expand into other states. He advised executives to "make sure the home state commissioner will vouch for you; study the insurance code and departmental regulations of the state you wish to enter; obtain by mail forms for submitting an application for admission; if making a personal visit, write for an appointment first; make sure company representatives in the state you enter are persons of good character, and make sure the home office knows what is going on in the out-of-state operation."

### Ways To Grow

The final session was devoted to considering avenues to company growth. Irwin Solomon of New York City discussed mergers and consolidations, with emphasis on assessing correctly the value of a business to be acquired. Ways in which direct mail may be utilized to gain insurance sales, particularly through leads for agents, was the subject of Virginia Parsons of Dallas. Reginald Snyder of Galveston talked on the importance to the agency force of a company management that is "sure of where it's going" and is "obsessed with its goals."

Dallas was chosen as the 1960 convention site.

## Start Clearing Way For Annex Of Guardian Home Office

Demolition of the building now occupying the site of the proposed annex to Guardian Life's home office in New York has been started. The new building will provide additional space of 75,000 square feet on three floors, with provision for the addition of four more floors when required. Construction will begin in early 1960.



*"... and besides, sir, I'll be buying more of  
Provident Mutual's 'insured insurance' when I'm 25, 28, 31, 34, 37, 40 ..."*

Regardless of any change in insurability, young people of today (and somewhat older ones, too) can buy added Provident Mutual life insurance on specified future dates at standard rates. Yes—as much as \$10,000 more at each option date without evidence of insurability! The amount purchased is

governed by the face amount of the basic policy.

Brokers who are sales and service minded will want to investigate. So will agents whose companies don't offer this modern insurability guarantee—Provident Mutual's Guaranteed Purchase Option.

## Provident Mutual

**Life Insurance Company of Philadelphia**

*The*  
63rd Y

Ad  
He

By  
When  
ance con



Frederic

"What is  
and "How  
The ar

Negro  
Be C  
Hear

Membe  
surance A  
operated  
their sha  
Bryson, e  
Morgan S  
nual this  
T. P. R  
replaced  
president  
Mr. Simo  
Other nev  
press tim  
with furt

Baltimore

Speakin  
prepared,  
oughly cr  
son quote  
staff had  
basis of 1  
that NIA  
some 16%

Further  
had not l  
of an NIA  
panies ha  
ket, NIA  
eighth, ni  
ber of c  
pointed ou

Study i  
developing  
positions  
market, a  
the peopl  
ascertain

What a  
should be  
kets that  
either a  
who is wo  
said.

Do mer  
sider NIA  
(CO